

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

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

Stock Code 股份代號 : 538

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中期報告
INTERIM REPORT
2014



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Corporate Profile

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

After our listing on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 30 March 2007, the strong capital support has injected new vitality into the Group’s rapid expansion. As a renowned brand in the Food and Beverage (“F&B”) industry, Ajisen’s fast casual chain restaurants are very popular among consumers with its outlets widely scattered in prime locations of major cities in the PRC and Hong Kong. As at 30 June 2014, Ajisen restaurants have entered 116 cities and 31 provinces of the PRC with total 637 restaurants. Among the major cities, the international metropolis Shanghai boasts the largest number of Ajisen restaurants, being 138, followed by 72 in Jiangsu and 57 in Guangdong (excluding Shenzhen), together with the remaining 334 restaurants spanning across other major cities from the southern to the northern region of the PRC. In Hong Kong, Ajisen operates 36 chain restaurants with its chain network covering all major business areas of the city. Moreover, the restaurant network is supported by the Group’s Shanghai and Shenzhen manufacturing centres, as well as 7 food manufacturing and processing centres in other major cities.

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

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

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

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





CORPORATE INFORMATION

Board of Directors

Executive Directors

Ms. Poon Wai

(Chairman and Chief Executive Officer)

Mr. Poon Ka Man, Jason

Non-executive Directors

Mr. Katsuaki Shigemitsu

Mr. Wong Hin Sun, Eugene

Independent Non-executive Directors

Mr. Lo Peter

Mr. Jen Shek Voon

Mr. Wang Jincheng

Audit Committee

Mr. Jen Shek Voon *(Chairman)*

Mr. Lo Peter

Mr. Wang Jincheng

Mr. Wong Hin Sun, Eugene

Remuneration Committee

Mr. Lo Peter *(Chairman)*

Mr. Jen Shek Voon

Mr. Wong Hin Sun, Eugene

Nomination Committee

Mr. Wang Jincheng *(Chairman)*

Mr. Wong Hin Sun, Eugene

Mr. Lo Peter

Authorised Representatives

Ms. Poon Wai

Mr. Lau Ka Ho, Robert

Qualified Accountant

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

Company Secretary

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

Head Office and Principal Place of Business in Hong Kong

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Principal Share Registrar and Transfer Office

Appleby Corporate Services (Cayman) Limited

Clifton House

75 Fort Street

P.O. Box 1350 GT

George Town

Grand Cayman

Cayman Islands

CORPORATE INFORMATION



Hong Kong Branch Share Registrar and Transfer Office

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

Principal Bankers

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

Auditors

Deloitte Touche Tohmatsu

Hong Kong Legal Advisers

Fairbairn Catley Low & Kong

Investor and Media Relations Consultant

iPR Ogilvy Ltd
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Stock Code

538



FINANCIAL HIGHLIGHTS

For the six months ended 30 June (unaudited)	2014	2013	% +/-
Turnover (HK\$ million)	1,611.8	1,568.9	2.7
Gross profit (HK\$ million)	1,108.8	1,049.1	5.7
Profit before taxation (HK\$ million)	192.3	173.9	10.6
Profit attributable to owners of the Company (HK\$ million)	127.7	130.1	-1.9
Earnings per share – basic (HK cents)	11.71	12.03	-2.7



Industry Review

In the first half of 2014, the world economy continued to grow slowly, as demonstrated by the positive recovery trend in the U.S. economy, the gradually diminishing impact of the 2008 financial crisis and the bottoming out of the European economy. However, global economy was recovering at uneven pace as the emerging economies continued to grow at a rate slower than that of the developed economies. The Chinese government further slashed economic growth forecast as a move to implement deep-rooted structural reforms. In the first half of 2014, China's GDP grew by 7.4% year-on-year to RMB26.9044 trillion, which further decelerated from the growth rate of 7.6% for the corresponding period of 2013.

Hit by the subsequent effect of the overall economic weakness and China's policy for imposing restrictions on the "three business expense items" (i.e. the expenses incurred by overseas business trips, business vehicle purchase and operation as well as business receptions), the high-end catering industry remained in deep trouble, and as a result had successively transformed its development mode such that the popular catering sector had become a battleground which further intensified competition in the industry.

The catering industry continued to face the "four highs and one low" phenomenon, featuring increasingly high rental expenditure, labour cost, raw material price and public utility rates, resulting in sustained low profits. The industry was also subject to various risks such as food safety issues, consumer complaints and exposure of negative news.

During the reporting period, the Group continued to smoothen and optimize operational processes to improve operational efficiency. Moreover, the Group continued to adopt a prudent strategy for the opening of restaurants and to consolidate the restaurant network especially in the transport hubs of Beijing, Shanghai, Guangzhou, Shenzhen, Jiangsu, Zhejiang and Anhui. As at 30 June 2014, the Group had 637 chain restaurants in total, a decrease of 10 from 647 during the corresponding period of 2013.

On the other hand, the Group continued to step up brand publicity by engaging Korean star Park Hae Jin for the first time as its brand spokesperson to increase brand impact. To further improve service standards, the Group plans to construct wireless network across its restaurant network and will also launch takeaway and afternoon tea services on a trial basis to optimize corporate resources.

Business Review

For the six months ended 30 June 2014, the Group's turnover increased from approximately HK\$1,568,936,000 during the corresponding period in 2013, by approximately 2.7% to approximately HK\$1,611,826,000. The gross profit of the Group reached approximately HK\$1,108,818,000, an increase of approximately 5.7% from approximately HK\$1,049,131,000 during the corresponding period in 2013; the profit attributable to the owners of the Company reached approximately HK\$127,679,000, a decrease of approximately 1.9% from approximately HK\$130,096,000 in 2013. The basic earnings per share decreased to HK11.71 cents from HK12.03 cents per ordinary share during the corresponding period in the previous year.



MANAGEMENT DISCUSSION AND ANALYSIS

During the current reporting period, the Group focused on streamlining the existing stores, adopting a prudent strategy in opening new stores. The Group adopted more focused strategies in its development, and continued to expand the restaurants network and deepened the density in mature markets, such as Beijing, Jiangsu, Zhejiang and Shanghai. As at 30 June 2014, the Group had a total of 637 fast casual chain restaurants, a decrease of 10 from 647 during the corresponding period in 2013; the Group's restaurant network extended its reach to 31 provinces and municipalities nationwide, amounting to 116 cities in aggregate, adding nil province and reducing 4 cities as compared with the corresponding period in 2013.

The construction and operation of the three major production bases in China guaranteed the steady growth and food quality of the Group's chain restaurant network. The Group's three major factories in Shanghai, Chengdu and Tianjin have been put into operation, while the factory in Dongguan will commence operation as well in the second half of this year to further support the Group's network expansion and regional coverage in the future.

During the current reporting period, the Group's cost of inventories as a proportion to turnover was approximately 31.2%, representing an decrease of approximately 1.9 percentage points as compared with the corresponding period last year. Accordingly, the gross profit margin increased to approximately 68.8% from approximately 66.9% during the corresponding period last year, which was attributable to less discounts and promotions offered by the Group as well as stable in raw material costs. The Group will properly control the raw material costs, and is therefore confident in achieving the expected gross profit margin.

During the current reporting period, the Group's labour costs accounted for approximately 24.8% of the turnover, which was approximately 1.1 percentage points higher than that of the corresponding period last year. During the reporting period, the level of minimum wage was raised in a number of provinces and cities in China successively, and the Group has adjusted its employee wages in compliance with the relevant law and regulations.

During the current reporting period, rent and related costs as a proportion to turnover of the Group was approximately 15.4%, which was approximately 0.1 percentage point higher than that of the corresponding period last year. During the reporting period, the Group applied stringent criteria in location selection, so as to guarantee the success rate of new stores. Also, a large number of medium-size and small-size restaurants were developed to enhance the output per unit area. The Group was able to secure long-term fixed lease terms as it expands the restaurant network.

The highly effective operation of over 630 restaurants under the Group is dependent upon the efficacy of our management and staff training. During the current reporting period, the Group placed emphasis on the guidance and training of restaurant managers and regional supervisors. The operation efficiency of each restaurant was enhanced through constant upgrading of its basic management level. This year, the Group continued to host the inter-restaurant competition to fully mobilize its staff, thus making prominent contribution the Group's turnover.

Retail Chain Restaurants

During the first half of 2014, 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\$1,548,704,000 (2013: HK\$1,511,347,000), accounted for approximately 96.1% (2013: 96.3%) of the Group's total revenue, an increase of 2.5% from the corresponding period in last year.

MANAGEMENT DISCUSSION AND ANALYSIS



As at 30 June 2014, the Group's restaurant portfolio consisted of 637 Ajisen chain restaurants, comprising the following:

	30 June 2014	31 December 2013	+/-
By type:			
Owned and managed	635	634	1
Owned but not managed	2	2	0
Total	637	636	1
By provinces:			
Shanghai	138	136	2
Beijing	37	35	2
Tianjin	7	7	0
Guangdong (excluding Shenzhen)	57	58	-1
Shenzhen	30	33	-3
Jiangsu	72	72	0
Zhejiang	49	46	3
Sichuan	24	24	0
Chongqing	14	14	0
Fujian	18	22	-4
Hunan	16	16	0
Hubei	17	16	1
Liaoning	9	11	-2
Shandong	36	34	2
Guangxi	7	7	0
Guizhou	4	4	0
Jiangxi	9	8	1
Shaanxi	12	12	0
Yunnan	7	7	0
Henan	3	2	1
Hebei	4	4	0
Anhui	12	11	1
Gansu	1	1	0
Xinjiang	2	2	0
Hainan	3	3	0
Shanxi	1	1	0
Neimenggu	4	4	0
Heilongjiang	3	3	0
Ningxia, Qinghai	2	2	0
Jilin	1	1	0
Hong Kong	36	38	-2
Taiwan*	2	2	0
Total	637	636	1
Total saleable area (sq. meters)	148,874	147,459	1,415

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



MANAGEMENT DISCUSSION AND ANALYSIS

	30 June 2014	31 December 2013	+/-
By geographical region:			
Northern China	104	102	2
Eastern China	259	254	5
Southern China	151	161	-10
Central China	121	117	4
Taiwan	2	2	0
Total	637	636	1

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 Fast Casual Restaurant ("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 2014, revenue from the sales of packaged noodle and related products was approximately HK\$63,122,000 (2013: HK\$57,589,000), accounted for approximately 3.9% (2013: 3.7%) 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 2014, the total number of points-of-sale in this network reached approximately 8,000, which was the same 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.



Financial Review

Turnover

For the six months ended 30 June 2014, the Group's turnover increased by approximately 2.7%, or approximately HK\$42,890,000, to approximately HK\$1,611,826,000 from approximately HK\$1,568,936,000 for the corresponding period in 2013. Such increase was mainly due to the increase in the comparing same store growth of the Group during the reporting period.

Cost of inventories consumed

For the six months ended 30 June 2014, the Group's cost of inventories decreased by approximately 3.2%, or approximately HK\$16,797,000, to approximately HK\$503,008,000 from approximately HK\$519,805,000 for the corresponding period in 2013. During the reporting period, the ratio of inventories cost to turnover was approximately 31.2%, lower than 33.1% for the corresponding period in 2013. Such decrease was attributable to the stable in the purchasing cost and less discounts and promotion were offered for the period.

Gross profit and gross profit margin

Driven by the above factors, gross profit for the six months ended 30 June 2014 increased by approximately 5.7%, or approximately HK\$59,687,000 to approximately HK\$1,108,818,000 from approximately HK\$1,049,131,000 for the corresponding period in 2013. Gross profit margin of the Group also further increased from approximately 66.9% for the corresponding period in 2013 to approximately 68.8%.

Property rentals and related expenses

For the six months ended 30 June 2014, property rentals and related expenses of the Group increased by approximately 2.8% from approximately HK\$240,700,000 for the corresponding period in 2013 to approximately HK\$247,499,000. Its proportion to turnover increased by 0.1 percentage point from approximately 15.3% for the corresponding period in 2013 to approximately 15.4%. Such an increase was mainly attributable to the fact that the increase in rentals for certain shops for the period.



MANAGEMENT DISCUSSION AND ANALYSIS

Staff costs

For the six months ended 30 June 2014, staff costs of the Group increased by approximately 7.3% from approximately HK\$371,863,000 for the corresponding period in 2013 to approximately HK\$399,087,000. Staff costs as a proportion to turnover increased from approximately 23.7% for the corresponding period in 2013 by 1.1 percentage points to approximately 24.8%, which reflected the minimum wages was raised in a number of provinces and cities in China.

Depreciation

For the six months ended 30 June 2014, depreciation of the Group increased by approximately 7.3% or approximately HK\$6,168,000 from approximately HK\$84,633,000 for the corresponding period in 2013 to approximately HK\$90,801,000. Such an increase was mainly attributable to the opening of new factory in second half of 2013.

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 2014, other operating expenses increased by approximately 1.1%, or approximately HK\$2,530,000, to approximately HK\$231,538,000 from approximately HK\$229,008,000 for the corresponding period in 2013. Its proportion to turnover was decreased by 0.2 percentage point from 14.6% to approximately 14.4%, which was mainly attributable to the decrease in expenses spent on consumables, and fuel and utility for the period. While expenses spent on advertising and promotion had increased to approximately HK\$34,310,000 from approximately HK\$23,938,000 for the corresponding period in 2013.

Other income

For the six months ended 30 June 2014, other income of the Group increased by approximately 2.2%, or approximately HK\$1,229,000, to approximately HK\$58,101,000 from approximately HK\$56,872,000 for the corresponding period in 2013. The increase was mainly originated from the increase in government grant during the period.

Other gains and losses

For the six months ended 30 June 2014, other gains and losses of the Group decreased by approximately 13.6% or approximately HK\$671,000, to approximately HK\$4,255,000 from approximately HK\$4,926,000 for the corresponding period in 2013. The decrease was due to less on loss on disposal of property, plant and equipment as less shops closed for the period.

Finance costs

For the six months ended 30 June 2014, finance costs increased by approximately 51.8%, or approximately HK\$495,000 to approximately HK\$1,451,000 from approximately HK\$956,000 for the corresponding period in 2013. The increase was mainly due to new loan obtained from second half of 2013.

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 2014 increased by approximately 10.6%, or approximately HK\$18,366,000 to approximately HK\$192,283,000 from approximately HK\$173,917,000 for the corresponding period in 2013.

MANAGEMENT DISCUSSION AND ANALYSIS



Profit attributable to owners of the Company

Being affected by the factors referred to above in aggregate and due to no refund of income tax for the period, profit attributable to owners of the Company for the six months ended 30 June 2014 decreased by approximately 1.9%, or approximately HK\$2,417,000, to approximately HK\$127,679,000 from approximately HK\$130,096,000 for the corresponding period in 2013.

Assets and liabilities

The Group's net current assets were approximately HK\$1,563,871,000 and the current ratio was 3.3 as at 30 June 2014 (31 December 2013: 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 2014.

Cash flows

Net cash inflow from operations for the six months ended 30 June 2014 was approximately HK\$283,728,000 while profit before taxation for the same period was approximately HK\$192,283,000. The operating cash inflows was mainly due to increase in profitability of FCR operated by the Group which the increase in size of operation of the Group strengthened the bargaining power of the Group with the suppliers and slowed down settlement of purchases.

Capital expenditure

For the six months ended 30 June 2014, the Group's capital expenditure was approximately HK\$80,914,000 (corresponding period in 2013: HK\$163,331,000), which was due to the decrease in purchase of investment property.

Key operating ratios for "Ajisen Ramen" restaurants

	Hong Kong			PRC		
	1-6/2014	1-12/2013 (approximate) (unaudited)	1-6/2013	1-6/2014	1-12/2013 (approximate) (unaudited)	1-6/2013
Comparable restaurant sales growth:	-0.7%	4.3%	1.5%	4.2%	7.6%	4.5%
Turnover per Gross Floor Area (per day/sq. meters):	HK\$228	HK\$228	HK\$225	RMB41.4	RMB41.2	RMB41.1
Per capita spending:	HK\$65.8	HK\$64.1	HK\$61.1	RMB43.1	RMB42.3	RMB42.0
Table turnover per day (times per day):	5.1	5.4	5.6	3.4	3.4	3.4



REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deloitte. 德勤

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

Introduction

We have reviewed the condensed consolidated financial statements of Ajisen (China) Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 13 to 37, which comprise the condensed consolidated statement of financial position as of 30 June 2014 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
26 August 2014

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2014



	Notes	Six months ended 30 June	
		2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
Turnover	4	1,611,826	1,568,936
Other income	5	58,101	56,872
Other gains and losses	6	(4,255)	(4,926)
Cost of inventories consumed		(503,008)	(519,805)
Staff costs		(399,087)	(371,863)
Depreciation		(90,801)	(84,633)
Property rentals and related expenses		(247,499)	(240,700)
Other operating expenses		(231,538)	(229,008)
Share of loss of associates		(5)	–
Finance costs	7	(1,451)	(956)
Profit before taxation	8	192,283	173,917
Taxation	9	(54,463)	(36,241)
Profit for the period		137,820	137,676
Other comprehensive income that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		(17,077)	32,831
Total comprehensive income for the period		120,743	170,507
Profit for the period attributable to:			
Owners of the Company		127,679	130,096
Non-controlling interests		10,141	7,580
		137,820	137,676
Total comprehensive income attributable to:			
Owners of the Company		111,530	160,061
Non-controlling interests		9,213	10,446
		120,743	170,507
Earnings per share	11	HK cents	HK cents
– Basic		11.71	12.03
– Diluted		11.69	12.00



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2014

	Notes	30 June 2014 HK\$'000 (Unaudited)	31 December 2013 HK\$'000 (Audited)
Non-current assets			
Investment properties	12	375,637	376,710
Property, plant and equipment	12	1,282,537	1,321,235
Prepaid lease payments		107,259	110,398
Intangible assets		6,400	6,400
Loan to an associate		1,495	–
Rental deposits		81,534	87,853
Goodwill		37,135	37,135
Deferred tax assets		3,526	3,548
Available-for-sale investments	13	20,537	21,173
		1,916,060	1,964,452
Current assets			
Inventories		100,965	117,003
Trade and other receivables	14	138,220	109,589
Amount due from related companies	15	204	15
Taxation recoverable		4,921	4,267
Structured deposits	16	148,661	138,636
Bank balances and cash		1,844,983	1,708,672
		2,237,954	2,078,182
Current liabilities			
Trade and other payables	17	365,752	378,301
Amounts due to related companies	18	5,753	7,348
Amounts due to directors	18	319	544
Amount due to a shareholder	18	19,178	29,617
Amounts due to non-controlling shareholders	18	26,926	29,416
Dividend payable		137,425	20
Taxation payable		55,338	48,529
Bank loans	19	63,392	63,358
		674,083	557,133
Net current assets		1,563,871	1,521,049
Total assets less current liabilities		3,479,931	3,485,501
Non-current liabilities			
Bank loans	19	72,935	74,642
Deferred tax liabilities		50,698	49,133
		123,633	123,775
Net assets		3,356,298	3,361,726
Capital and reserves			
Share capital	20	109,089	108,970
Reserves		3,147,694	3,156,531
Equity attributable to owners of the Company		3,256,783	3,265,501
Non-controlling interests		99,515	96,225
Total equity		3,356,298	3,361,726

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2014

	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 2013 (Audited)	107,416	1,831,198	(277,655)	62,727	1,159	7,564	218,360	110,995	912,345	2,974,109	87,903	3,062,012
Profit for the period	-	-	-	-	-	-	-	-	130,096	130,096	7,580	137,676
Other comprehensive income for the period	-	-	-	-	-	-	29,965	-	-	29,965	2,866	32,831
Total comprehensive income for the period	-	-	-	-	-	-	29,965	-	130,096	160,061	10,446	170,507
Dividends recognised as distribution (Note 10)	-	-	-	-	-	-	-	-	(131,048)	(131,048)	-	(131,048)
Dividends paid to a non-controlling shareholder	-	-	-	-	-	-	-	-	-	-	(11,198)	(11,198)
Transfer	-	-	-	-	-	-	-	1,043	(1,043)	-	-	-
Shares issued upon exercise of share options	1,411	74,604	-	(10,221)	-	-	-	-	-	65,794	-	65,794
Recognition of equity-settled share-based payments	-	-	-	12,145	-	-	-	-	-	12,145	-	12,145
At 30 June 2013 (Unaudited)	108,827	1,905,802	(277,655)	64,651	1,159	7,564	248,325	112,038	910,350	3,081,061	87,151	3,168,212
At 1 January 2014 (Audited)	108,970	1,917,609	(277,655)	71,218	1,159	32,706	286,914	117,995	1,006,585	3,265,501	96,225	3,361,726
Profit for the period	-	-	-	-	-	-	-	-	127,679	127,679	10,141	137,820
Other comprehensive income for the period	-	-	-	-	-	-	(16,149)	-	-	(16,149)	(928)	(17,077)
Total comprehensive income for the period	-	-	-	-	-	-	(16,149)	-	127,679	111,530	9,213	120,743
Dividends recognised as distribution (Note 10)	-	-	-	-	-	-	-	-	(137,412)	(137,412)	-	(137,412)
Dividends paid to a non-controlling shareholder	-	-	-	-	-	-	-	-	-	-	(11,393)	(11,393)
Transfer	-	-	-	-	-	-	-	22	(22)	-	-	-
Shares issued upon exercise of share options	119	10,407	-	(4,166)	-	-	-	-	-	6,360	-	6,360
Recognition of equity-settled share-based payments	-	-	-	10,804	-	-	-	-	-	10,804	-	10,804
Capital contribution from non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	5,470	5,470
At 30 June 2014 (Unaudited)	109,089	1,928,016	(277,655)	77,856	1,159	32,706	270,765	118,017	996,830	3,256,783	99,515	3,356,298



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2014

	Six months ended 30 June	
	2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
Operating activities		
Profit before taxation	192,283	173,917
Adjustments for:		
Depreciation	90,801	84,633
Interest expense	1,451	956
Bank interest income	(13,378)	(15,989)
Share of loss of associates	5	–
Loss on disposal of property, plant and equipment	6,335	3,710
Operating lease rentals in respect of prepaid lease payments	1,745	1,453
Share-based payment expenses	10,804	12,145
Operating cash flows before movements in working capital	290,046	260,825
Decrease (increase) in inventories	16,038	(2,223)
Increase in amounts due from related companies	(189)	(1)
Decrease (increase) in rental deposits	6,319	(4,148)
Increase in trade and other receivables	(28,113)	(20,112)
(Decrease) increase in trade and other payables	(373)	31,138
Cash generated from operations	283,728	265,479
Tax paid	(45,740)	(30,328)
Net cash from operating activities	237,988	235,151
Investing activities		
Interest received	13,378	15,989
Proceeds from disposal of property, plant and equipment	174	95
Proceeds on disposal of available-for-sale investments	636	–
Investment in an associate	(5)	–
Loan to an associate	(1,495)	–
Purchase of property, plant and equipment	(80,914)	(67,581)
Deposits paid for acquisition of property, plant and equipment	–	(14,242)
Purchase of an investment property	–	(81,508)
Purchase of structured deposits	(148,661)	(125,541)
Withdrawal of structured deposits	138,636	–
Net cash used in investing activities	(78,251)	(272,788)

(continued)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2014



	Six months ended 30 June	
	2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
Financing activities		
Bank borrowings raised	–	72,000
Proceeds from issue of shares	6,360	65,794
Advance from non-controlling shareholders	–	11,376
Advance from related parties	5,753	3,007
Advance from directors	319	181
Contribution by non-controlling shareholders of subsidiaries	5,470	–
Dividends paid	(7)	(2)
Interest paid	(1,451)	(956)
Dividends paid to a non-controlling shareholder	(11,393)	(11,198)
Repayment to non-controlling shareholders	(2,490)	–
Repayment to related parties	(7,348)	(4,891)
Repayment to directors	(544)	(544)
Repayment to shareholders	(10,439)	(16,827)
Repayment of bank borrowings	(1,673)	–
Net cash (used in) generated from financing activities	(17,443)	117,940
Net increase in cash and cash equivalents	142,294	80,303
Cash and cash equivalents at 1 January	1,708,672	1,650,048
Effect of foreign exchange rate changes	(5,983)	7,488
Cash and cash equivalents at 30 June, representing bank balance and cash	1,844,983	1,737,839



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2014

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 report.

2. Basis of Preparation

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

3. Principal Accounting Policies

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

Except for the application of new and revised accounting standards as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2014 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2013.

In the current interim period, the Group has applied, for the first time, the following new interpretation and amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA:

- Amendments to HKFRS 10, HKFRS 12 and HKAS 27 Investment Entities;
- Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities;
- Amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets;
- Amendments to HKAS 39 Novation of Derivatives and Continuation of Hedge Accounting and HK(IFRIC) – Int 21 Levies.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2014



4. Segment Information

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

For the period ended 30 June 2014 (unaudited)

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



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2014

4. Segment Information (Continued)

For the period ended 30 June 2013 (unaudited)

	Operation of restaurants			Manufacture and sales of noodles and related products HK\$'000	Investment holding HK\$'000	Segment total HK\$'000	Elimination HK\$'000	Total HK\$'000
	PRC HK\$'000	Hong Kong HK\$'000	Total HK\$'000					
Revenue								
– external sales	1,361,113	150,234	1,511,347	57,589	–	1,568,936	–	1,568,936
– inter-segment sales	–	–	–	346,143	–	346,143	(346,143)	–
	1,361,113	150,234	1,511,347	403,732	–	1,915,079	(346,143)	1,568,936
Segment profits	174,995	10,801	185,796	5,340	7,092	198,228	–	198,228
Unallocated income								17,205
Unallocated expenses								(40,560)
Finance costs								(956)
Profit before taxation								173,917
Taxation								(36,241)
Profit for the period								137,676

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2014



5. Other Income

	Six months ended 30 June	
	2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
Royalties from sub-franchisees	11,485	10,611
Government grant (note)	21,772	18,664
Bank interest income	13,378	15,989
Property rental income, net of negligible outgoings	9,001	7,092
Others	2,465	4,516
	58,101	56,872

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

6. Other Gains and Losses

	Six months ended 30 June	
	2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
Loss on disposal of property, plant and equipment	(6,335)	(3,710)
Net foreign exchange gain (loss)	2,080	(1,216)
	(4,255)	(4,926)

7. Finance Costs

	Six months ended 30 June	
	2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
Interest on bank borrowings:		
– wholly repayable within five years	405	405
– not wholly repayable within five years	1,046	551
	1,451	956



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2014

8. Profit Before Taxation

	Six months ended 30 June	
	2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
Profit before taxation has been arrived at after charging:		
Cost of inventories consumed (<i>note a</i>)	503,008	519,805
Advertising and promotion expenses	34,310	23,938
Fuel and utility expenses	81,883	82,448
Operating lease rentals in respect of		
– land lease	1,745	1,453
– rented premises (<i>note b</i>)	216,187	211,773

Notes:

- This represents costs of raw materials and consumables used.
- Included in the operating lease rentals in respect of rental premises are minimum lease payments of approximately HK\$129,040,000 (six months ended 30 June 2013: HK\$149,916,000) and contingent rent of approximately HK\$87,147,000 (six months ended 30 June 2013: HK\$61,857,000).

9. Taxation

	Six months ended 30 June	
	2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
Hong Kong Profits Tax		
– current period	2,559	3,557
	2,559	3,557
PRC income tax		
– current period	53,965	45,475
– (over) underprovision in prior periods	(5,361)	(15,159)
	48,604	30,316
Deferred taxation	3,300	2,368
	54,463	36,241

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2014



9. Taxation (Continued)

The income tax expense in Hong Kong and the PRC is recognised based on management's best estimate of the annual income tax rate expected for the full financial year. The estimated annual tax rates for Hong Kong Profits Tax and PRC income tax are 16.5% (six months ended 30 June 2013: 16.5%) and 25% (six months ended 30 June 2013: 25%), respectively, for the period under review.

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

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

During the six months ended 30 June 2013, the Chongqing STB issued a written notice to Chongqing Weiqian which confirmed that Chongqing Weiqian would be permitted to apply the Preferential Tax Treatment for 2009. Accordingly, the Company reversed the income tax liability of approximately HK\$15.2 million (equivalent to approximately RMB12.2 million) which was previously recognized during 2011 in relation to the change in the Preferential Tax Treatment for the years 2009 and 2010.

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

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

10. Dividends

	Six months ended 30 June	
	2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
Dividends recognised as distribution during the period:		
Final, declared – HK2.71 cents per share for 2013 (2013: declared – HK1.40 cents per share for 2012)	29,531	15,039
Special, declared – HK9.90 cents per share for 2013 (2013: HK10.80 cents per share for 2012)	107,881	116,009
	137,412	131,048

An interim dividend of HK4.70 cents per ordinary share has been declared by the directors for the period ended 30 June 2014 (six months ended 30 June 2013: HK3.59 cents).



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2014

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	
	2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
Earnings for the purposes of basic and diluted earnings per share, being profit for the period attributable to owners of the Company	127,679	130,096
	Number of shares	
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	1,090,612,334	1,081,620,599
Effect of dilutive potential ordinary shares relating to: – outstanding share options	1,848,387	2,092,837
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	1,092,460,721	1,083,713,436

Certain outstanding share options of the Company have not been included in the computation of diluted earnings per share as they did not have a dilutive effect to the Company's earnings per share during the six months ended 30 June 2014 and 30 June 2013 because the exercise prices of these Company's share options were higher than the average market prices of the Company's shares during both periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2014



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 making reference to market evidence of transaction prices for similar properties at 30 June 2014 and 30 June 2013. During the six months ended 30 June 2014 and 30 June 2013, no change in the fair values of the investment properties of the Group has been recognised in the condensed consolidated statement of profit or loss and other comprehensive income.

During the period, the Group spent approximately HK\$68,738,000 on acquisition of property, plant and equipment (six months ended 30 June 2013: HK\$65,040,000).

13. Available-for-Sale Investments

	30 June 2014 HK\$'000 (Unaudited)	31 December 2013 HK\$'000 (Audited)
Unlisted equity investments in British Virgin Islands, at cost	20,000	20,000
Unlisted equity investments in PRC and Republic of China ("Taiwan"), at cost	537	1,173
	20,537	21,173

At 30 June 2014, the unlisted equity investments are equity securities issued by private entities established in British Virgin Islands, PRC and Taiwan.

During the six months ended 30 June 2014, the Group disposed of certain unlisted equity investments in PRC with carrying amount of HK\$636,000 (equivalent to approximately RMB500,000). No gain or loss is resulted from the disposal.

The investments are measured at cost less impairment at the end of each reporting period because the range of reasonable fair value estimates is so significant that the directors are of the opinion that fair values cannot be measured reliably.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2014

14. Trade and Other Receivables

	30 June 2014 HK\$'000 (Unaudited)	31 December 2013 HK\$'000 (Audited)
Trade receivables		
– related companies	1,178	1,190
– others	20,069	18,178
	21,247	19,368
Rental and utility deposits	38,877	33,279
Property rentals paid in advance for restaurants	30,638	22,104
Advance to suppliers	13,381	10,788
Other receivables and prepayments	34,077	24,050
	138,220	109,589

The related companies are companies in which Ms. Poon has controlling interests.

Customers including both independent third parties and related company of noodles and related products are normally granted 60 to 90 days (31 December 2013: 60 to 90 days) credit period upon issuance of invoices, except for certain well established customers for which the credit terms are up to 180 days (31 December 2013: 180 days). There was no credit period for customers relating to sales from operation of restaurants. The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on invoice dates at the end of the reporting period, which approximated the respective revenue recognition dates:

	30 June 2014 HK\$'000 (Unaudited)	31 December 2013 HK\$'000 (Audited)
Age		
0 to 30 days	12,799	11,998
31 to 60 days	3,474	2,768
61 to 90 days	391	386
91 to 180 days	1,222	1,557
Over 180 days	3,361	2,659
	21,247	19,368

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2014



15. Amount Due From Related Companies

Details of the amount due from related companies are as follows:

Name of related companies	30 June 2014 HK\$'000 (Unaudited)	31 December 2013 HK\$'000 (Audited)
Well Keen International Ltd., a company in which Ms. Poon has controlling interests	15	15
Ikkosha (East Asia) Co., Ltd., an associate of a subsidiary of Ajisen (China) Holdings Limited	189	–
	204	15

The amount was unsecured, interest-free and repayable on demand.

16. Structured Deposits

On 10 January 2014, the Group placed a principal-guaranteed structured deposit in a bank in the PRC with a carrying amount of HKD136,063,000 (equivalent to approximately RMB108,000,000) with a contractual period of six months. It carries a fixed return of 5.10% per annum. On 27 June 2014, the Group placed another principle-guaranteed structured deposit in a bank in the PRC with a carrying amount of HKD12,598,000 (equivalent to approximately RMB10,000,000) with a contractual period of three months. It carries a fixed return of 4.20% per annum. Therefore, the deposits are classified as loans and receivables on the condensed consolidated statement of financial position at 30 June 2014.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2014

17. Trade and Other Payables

	30 June 2014 HK\$'000 (Unaudited)	31 December 2013 HK\$'000 (Audited)
Trade payables		
– a related company	7,747	5,916
– others	124,935	123,959
	132,682	129,875
Payroll and welfare payables	55,581	52,587
Customers' deposits received	12,462	13,411
Payable for acquisition of property, plant and equipment	73,419	85,595
Payable for property rentals	31,969	34,113
Other taxes payable	35,916	36,763
Others	23,723	25,957
	365,752	378,301

The related company is a company in which Mr. Kasuaki Shigemitsu, who is a director and shareholder of the Company, has controlling interests.

The average credit period for the purchase of goods is 60 (31 December 2013: 60) days. The following is an aged analysis of trade payables presented based on invoice dates at the end of the reporting period:

	30 June 2014 HK\$'000 (Unaudited)	31 December 2013 HK\$'000 (Audited)
0 to 30 days	93,938	107,709
31 to 60 days	28,411	15,506
61 to 90 days	1,560	2,550
91 to 180 days	995	457
Over 180 days	7,778	3,653
	132,682	129,875

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2014



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

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

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

19. Bank Loans

	30 June 2014 HK\$'000 (Unaudited)	31 December 2013 HK\$'000 (Audited)
Secured bank loans with carrying amounts repayable:		
Within one year	63,392	63,358
In more than one year but not more than two years	3,460	3,426
In more than two years but not more than five years	10,811	10,702
In more than five years	58,664	60,514
	136,327	138,000
Less: amounts shown as non-current liabilities	(72,935)	(74,642)
Amounts shown as current liabilities	63,392	63,358

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

Details of the assets of the Group as at 30 June 2014 and 31 December 2013 that have been pledged as collateral to secure the general banking facilities of the Group are set out in note 23.

The Group's bank loans at 30 June 2014 and December 2013 carried variable interest rate at 3.25% below prime rate of the counterparty bank, 2.80% per annum below the base lending rate of the counterparty bank and 1.35% per annum over Hong Kong Interbank Offered Rate ("HIBOR"), and the effective interest rate was 1.83% to 2.15% per annum (31 December 2013:0.73% to 1.63%).



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2014

20. Share Capital

	Number of shares	Share capital HK\$'000
Authorised:		
Ordinary shares of HK\$0.10 each		
At 1 January 2013, 31 December 2013, and 30 June 2014	10,000,000,000	1,000,000
Issued and fully paid:		
At 1 January 2013	1,074,161,320	107,416
Exercise of share options (<i>Note a</i>)	15,541,500	1,554
At 1 January 2014	1,089,702,820	108,970
Exercise of share options (<i>Note b</i>)	1,192,500	119
At 30 June 2014	1,090,895,320	109,089

Note:

- (a) During the year ended 31 December 2013, the Company issued 15,541,500 new shares upon exercises of share options at the average exercise price of HK\$4.7087 per share.
- (b) During the six months ended 30 June 2014, the Company issued 1,192,500 new shares upon exercise of share options at the average exercise price of HK\$5.3339 per share.

All shares issued by the Company during the year ended 31 December 2013 and the six months ended 30 June 2014 ranked pari passu in all respects with other shares in issue.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2014



21. Share Option Schemes

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

(a) Share Option Scheme

The following table disclosed movements of the Company's share options under the Share Option Scheme during the six months ended 30 June 2014 and 30 June 2013.

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



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2014

21. Share Option Schemes (Continued)

(a) Share Option Scheme (Continued)

Grant date	Exercise price HK\$	Outstanding at 1 January 2013	Granted during the period	Exercised during the period	Forfeited during the period	Outstanding at 30 June 2013
Employees						
25 June 2008	3.726	40,000	–	–	–	40,000
31 December 2008	3.726	368,000	–	(162,500)	–	205,500
3 July 2009	4.938	27,500	–	–	–	27,500
2 July 2010	8.884	1,068,500	–	–	(48,000)	1,020,500
6 July 2010	8.710	50,000	–	–	–	50,000
26 August 2011	5.530	17,861,000	–	(362,000)	(556,000)	16,943,000
15 October 2012	5.530	600,000	–	–	–	600,000
7 January 2013	7.140	–	300,000	–	–	300,000
		20,015,000	300,000	(524,500)	(604,000)	19,186,500
Directors						
22 January 2009	3.308	312,500	–	–	–	312,500
15 October 2012	5.530	500,000	–	–	–	500,000
		812,500	–	–	–	812,500

Note (A): In the current interim period, 300,000 share options were granted on 14 April 2014. The aggregate fair values of the options determined at the date of grant using the Black-Scholes option pricing model was approximately HK\$1,107,000.

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

	14 April 2014
Grant date share price	HK\$7.05
Exercise price	HK\$7.05
Expected volatility	52.08%
Expected life (years)	7.75-8.75 years
Risk free interest rates	1.796%-1.949%
Expected dividend yield	0.894%

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2014



21. Share Option Schemes (Continued)

(a) Share Option Scheme (Continued)

Note (B): In the current interim period, 300,000 share options were granted on 30 June 2014. The aggregate fair values of the options determined at the date of grant using the Black-Scholes option pricing model was approximately HK\$920,090.

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

	30 June 2014
Grant date share price	HK\$6.02
Exercise price	HK\$6.02
Expected volatility	51.58%
Expected life (years)	7.75-8.75 years
Risk free interest rates	1.757%-1.867%
Expected dividend yield	1.047%

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

In respect of the share options exercised during the six months ended 30 June 2014, the weighted average share price and exercise price at the dates of exercise are HK\$8.393 and HK\$5.346 per share, respectively (six months ended 30 June 2013: HK\$6.468 and HK\$4.971 per share).

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

During the six months ended 30 June 2013, 524,500 share options were exercised and 604,000 share options were forfeited due to the departure of employees.

The Group recognised an expense of approximately HK\$10,804,000 for the six months ended 30 June 2014 (six months ended 30 June 2013: HK\$12,145,000) in relation to share options granted by the Company under the Share Option Scheme.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2014

21. Share Option Schemes (Continued)

(b) Pre-IPO Share Option Scheme

The following table disclosed movements of the Company's share options under the Pre-IPO Share Option Scheme during the six months ended 30 June 2014 and 30 June 2013:

Grantees	Outstanding at 1 January 2014	Exercised during the period	Forfeited during the period	Cancelled during the period	Outstanding at 30 June 2014
(1) Directors					
Ms. Poon (Note 2)	-	-	-	-	-
Mr. Poon Ka Man, Jason (Note 2)	-	-	-	-	-
Mr. Yin Yibing (Note 2)	-	-	-	-	-
(2) Employees and others	408,500	(20,000)	-	-	388,500
	408,500	(20,000)	-	-	388,500

Grantees	Outstanding at 1 January 2013	Exercised during the period	Forfeited during the period	Cancelled during the period	Outstanding at 30 June 2013
(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	639,000	(105,000)	-	-	534,000
	14,124,000	(13,590,000)	-	-	534,000

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2014



21. Share Option Schemes (Continued)

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

In respect of the share options exercised during the six months ended 30 June 2014, the weighted average share price and exercise price at the dates of exercise was HK\$8.824 and HK\$4.6495 respectively (six months ended 30 June 2013: HK\$6.468 and HK\$4.6495) per share.

During the six months ended 30 June 2014, 20,000 share options (six months ended 30 June 2013: 13,590,000) previously granted by the Company were exercised.

- (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 and fully vested before 2012.
- (2) Ms. Poon and Mr. Poon Ka Man, Jason, who are the executive directors of the Company, and Mr. Yin Yibing (Note 3), a former director of the Company have formed Center Goal Holdings Limited ("Center Goal") to hold the options. Center Goal is owned as to approximately 62.92% by Ms. Poon, as to approximately 18.54% by Mr. Poon Ka Man, Jason and as to approximately 18.54% by Mr. Yin Yibing.
- (3) Mr. Yin Yibing no longer be the director of the Company with effect from 18 July 2013.

Except for the share options exercised during the six months ended 30 June 2014, no share options were granted, forfeited or cancelled under the Pre-IPO Share Option Scheme during the six months ended 30 June 2014 and 30 June 2013.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2014

22. Capital Commitments

	30 June 2014 HK\$'000 (Unaudited)	31 December 2013 HK\$'000 (Audited)
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of the acquisition of		
– property, plant and equipment	18,513	22,310
	18,513	22,310

23. Pledge of Assets

	30 June 2014 HK\$'000 (Unaudited)	31 December 2013 HK\$'000 (Audited)
Investment properties	264,500	264,500
Property, plant and equipment	21,757	22,464
Prepaid lease payments	19,937	20,234
	306,194	307,198

24. Fair Value Measurement of Financial Instruments

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2014



25. Related Party Transactions

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

Relationship with related parties	Nature of transactions	Six months ended 30 June	
		2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
Shigemitsu Industry Co., Ltd., a company in which Mr. Kasuaki Shigemitsu has significant beneficial interests	Sales of noodles and related products	554	201
	Purchase of raw materials	26,569	22,571
	Franchise commissions paid	16,168	16,823
Companies in which Mr. Poon Ka Man, Jason, a director of the Company, has significant beneficial interests	Decoration expenses paid	350	1,280
Ms. Poon	Property rentals paid	1,324	1,301
Japan Foods Holdings Ltd., non-controlling shareholder of a subsidiary of Ajisen (China) Holdings Limited	Franchise fee paid	1,064	1,705

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

	Six months ended 30 June	
	2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
Short-term employee benefits	3,460	3,714
Other long-term benefits	70	116
Share-based payments	1,921	1,353
	5,451	5,183

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 Corporate Governance Code

The Company has complied with all applicable code provisions under the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules for the six months ended 30 June 2014, 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 2014, 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, reviewed the accounting principles and practices adopted by the Company and discussed auditing, internal controls and financial reporting matters. The Company’s unaudited interim results for the six months ended 30 June 2014 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 2014.

OTHER INFORMATION



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

As at 30 June 2014, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, are set out below:

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

Name of director	Capacity and nature of interest	Number of shares (Note 1)	Approximate % of shareholding
Ms. Poon Wai	founder of a discretionary trust (Note 2)	476,625,041 shares (L)	43.69%
	beneficial owner	30,262,347 shares (L)	2.77%
Mr. Poon Ka Man, Jason	beneficial owner	2,500,000 shares (L)	0.23%
Mr. Katsuaki Shigemitsu	beneficial owner	950,000 shares (L)	0.09%
	interest of controlled corporation (note 3)	31,425,380 shares (L)	2.88%
Mr. Wong Hin Sun, Eugene	interest of spouse (Note 4)	300,000 shares (L)	0.03%
	beneficial owner	100,000 shares (L)	0.01%
Mr. Wang Jin Cheng	beneficial owner	12,500 shares (L)	0.00%
Mr. Jen Shek Voon	beneficial owner	95,000 shares (L)	0.01%
Mr. Lo Peter	beneficial owner	75,000 shares (L)	0.01%

Notes:

1. The letter "L" denotes the Director's long position in such securities.
2. The 476,625,041 shares are held by Favor Choice Group Limited ("Favor Choice"), which is an investment holding company wholly owned by Anmi Holding Company Limited ("Anmi Holding"). Anmi Holding is incorporated in the British Virgin Islands and its issued share capital is wholly owned by Anmi Trust, which is founded by Ms. Poon Wai. Ms. Poon Wai is an executive Director and the CEO of the Company.
3. The 10,604,251 shares held by Shigemitsu Industry Co. Ltd., and the 20,821,129 shares held by Wealth Corner Limited are respectively owned as to approximately 69.89% and 100% by Mr. Katsuaki Shigemitsu, a non-executive Director of the Company.
4. The 300,000 shares are held by Mr. Wong Hin Sun, Eugene's wife, Ms. Chin May Yee Emily.



OTHER INFORMATION

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

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

Notes:

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

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

(1) Long position in the shares of Anmi Holding

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

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

(2) Long position in the shares of Favor Choice

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

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

OTHER INFORMATION



Save as disclosed herein, as at 30 June 2014, 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 2014, as recorded in the register required to be kept by the Company under section 336 of the SFO, the following persons, other than a Director or the chief executive of the Company, were the substantial shareholders (within the meaning of the Listing Rules) of the Company and had the following interests or short position in the shares or underlying shares of the Company:

Name of shareholder	Capacity and nature of interest	Number of shares	Approximate % of shareholding
Favor Choice (Note 2)	beneficial owner	476,625,041(L)	43.69%
Anmi Holding (Notes 2 and 3)	interest of controlled corporation	476,625,041(L)	43.69%
HSBC International Trustee Limited (Note 3)	trustee	500,523,720(L)	45.88%
JPMorgan Chase & Co. (Note 4)	interest of controlled corporation	25,375(L)	0.00%
	custodian – corporation/approved lending agent	58,446,000(L) and (P)	5.36%
T. Rowe Price Associates Inc. and its Affiliates	beneficial owner	56,287,000(L)	5.16%
Invesco Hong Kong Limited	beneficial owner	55,205,000(L)	5.06%

Notes:

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

Save as disclosed herein, as at 30 June 2014, the Company has not been notified of any substantial shareholder (other than a Director or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company that were recorded in the register required to be kept under section 336 of the SFO.



OTHER INFORMATION

Share Option Scheme

The Company has conditionally adopted 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 2014, the number of shares in respect of which options under the Share Option Scheme had been granted and remained outstanding was 19,999,500 Shares (30 June 2013: 19,999,000 Shares), representing approximately 1.8% of the Shares of the Company in issue as at 30 June 2014.

Details of the share options granted under the Share Option Scheme contained in note 21 to the condensed consolidated financial statements and movement during the period ended 30 June 2014 are as follows:

Grantee	Date of Grant	Outstanding as at 1 January 2014	Granted during the period	Number of share options			Outstanding as at 30 June 2014
				Exercised during the period	Cancelled during the period	Forfeited during the period	
Employees (in aggregate)	25 June 2008	40,000	-	-	-	-	40,000
	31 December 2008	110,000	-	(27,500)	-	-	82,500
	3 July 2009	27,500	-	-	-	-	27,500
	2 July 2010	900,500	-	-	-	(57,500)	843,000
	6 July 2010	50,000	-	-	-	-	50,000
	26 August 2011	14,813,000	-	(1,030,000)	-	(994,000)	12,789,000
	15 October 2012	600,000	-	(40,000)	-	(160,000)	400,000
	7 January 2013	-	-	-	-	-	-
	2 July 2013	600,000	-	-	-	-	600,000
	19 July 2013	400,000	-	-	-	-	400,000
	27 August 2013	2,330,000	-	-	-	(300,000)	2,030,000
	23 September 2013	300,000	-	-	-	-	300,000
	25 October 2013	1,150,000	-	-	-	-	1,150,000
	19 December 2013	50,000	-	-	-	-	50,000
	14 April 2014	-	300,000	-	-	-	300,000
	30 June 2014	-	300,000	-	-	-	300,000
Director (in aggregate)	22 January 2009	212,500	-	(75,000)	-	-	137,500
	15 October 2012	500,000	-	-	-	-	500,000
		22,083,500	600,000	(1,172,500)	-	(1,511,500)	19,999,500

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 as at 30 June 2014:

Grantee	Number of options granted on 8 March 2007 (Notes 1 and 3)	Outstanding as at 1 January 2014	Number of options			Outstanding as at 30 June 2014
			Exercise during the period ended 30 June 2014	Cancelled during the period ended 30 June 2014	Lapsed during the period ended 30 June 2014	
(1) Directors						
Ms. Poon Wai (Note 2)	8,485,000	–	–	–	–	–
Mr. Poon Ka Man, Jason (Note 2)	2,500,000	–	–	–	–	–
Mr. Yin Yibing (Note 2)	2,500,000	–	–	–	–	–
(2) Employees and others	6,515,000	408,500	(20,000)	–	–	388,500
	20,000,000	408,500	(20,000)	–	–	388,500

Notes:

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

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

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



OTHER INFORMATION

Directors' Rights to Acquire Shares or Debentures

Save as disclosed under the sections headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations", "Share Option Scheme" and "Pre-IPO Share Option Scheme", during the six months ended 30 June 2014, 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 2014, the Group employed 14,585 persons (31 December 2013: 12,970 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 2014 was approximately HK\$399,087,000 (30 June 2013: HK\$371,863,000).

Dividend

An interim dividend of HK4.70 cents per ordinary share (for six months ended 30 June 2013: HK3.59 cents) for the six months ended 30 June 2014 have been declared by the Board to shareholders and such interim dividend will be paid on 21 November 2014 to shareholders whose names appear on the register of members of the Company on 19 September 2014.

Closure of the Register of Members

The register of members of the Company will be closed from 17 September 2014 to 19 September 2014 (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 16 September 2014.

By order of the Board

Ajisen (China) Holdings Limited

Poon Wai

Chairman

Hong Kong, 26 August 2014



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

“味千拉面”不是用面来做人的生意，
而是追求用人来做面的生意。