AJISEN RAMEN
味千拉麵

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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

2026 INTERIM RESULTS HIGHLIGHTS

	For the six months ended 30 June		
	2026	2025	**Change**
	(RMB'000)	*(RMB'000)*	
Turnover	**890,311**	875,336	+1.7%
Sales from restaurant operation	**872,627**	849,095	+2.8%
Gross profit	**684,945**	673,896	+1.6%
Profit from operation	**22,871**	31,131	-26.5%
Profit before tax	**20,252**	36,845	-45.0%
Profit attributable to owners of the Company	**16,967**	24,232	-30.0%
Earnings per share (RMB)	**0.02**	0.02	-
Total number of restaurants (as at 30 June)	**610**	608	

The board (the "**Board**") of directors (the "**Directors**") of Ajisen (China) Holdings Limited (the "**Company**" or "**Ajisen**") announces the unaudited interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026, together with the comparative figures for the corresponding period in 2025 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**890,311**	875,336
Cost of inventories consumed		**(205,366)**	(201,440)
Staff costs		**(243,991)**	(239,662)
Depreciation		**(176,989)**	(166,610)
Other operating expenses		**(241,094)**	(236,493)
Profit from operation		**22,871**	31,131
Other income	*4*	**39,101**	45,236
Impairment losses under expected credit loss ("ECL") model, net of reversal		**(533)**	654
Impairment loss recognised in respect of:			
– property, plant and equipment		**(3,669)**	(1,744)
– right-of-use assets		**(17,879)**	(10,117)
– interests in associates		**–**	(4)
Other gains and losses	*5*	**(5,817)**	(15,468)
Share of loss of associates		**(2,970)**	(1,245)
Share of profit (loss) of a joint venture		**285**	(238)
Finance costs		**(11,137)**	(11,360)
Profit before tax	*6*	**20,252**	36,845
Income tax expense	*7*	**(3,782)**	(11,299)
Profit for the period		**16,470**	25,546
Other comprehensive expense:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		**(10,289)**	(7,100)
Other comprehensive expense for the period, net of income tax		**(10,289)**	(7,100)
Total comprehensive income for the period		**6,181**	18,446

	Note	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Profit (loss) for the period attributable to:			
Owners of the Company		**16,967**	24,232
Non-controlling interests		**(497)**	1,314
		16,470	25,546
Total comprehensive income (expense) for the period attributable to:			
Owners of the Company		**6,259**	17,720
Non-controlling interests		**(78)**	726
		6,181	18,446
		RMB	*RMB*
Earnings per share	*9*		
– Basic and diluted		**0.02**	0.02

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	**30 June 2026 RMB'000 (Unaudited)**	31 December 2025 RMB'000 (Audited)
Non-current assets			
Investment properties		**735,819**	759,737
Property, plant and equipment		**370,816**	399,420
Right-of-use assets		**549,609**	614,074
Intangible assets		**883**	1,437
Interests in associates		**30,447**	33,469
Interest in a joint venture		**8,638**	8,353
Rental deposits		**72,969**	80,054
Goodwill		**1,316**	1,352
Deferred tax assets		**47,295**	43,709
Term deposits with banks		**30,250**	30,250
Financial assets at fair value through profit or loss (“**FVTPL**”)	*10*	**107,225**	109,184
Other receivables	*11*	**3,099**	–
		1,958,366	2,081,039
Current assets			
Inventories		**73,136**	69,013
Trade and other receivables	*11*	**165,187**	154,168
Taxation recoverable		**670**	176
Restricted bank deposits		**4,676**	48
Financial assets at FVTPL	*10*	**14,702**	10,128
Bank balances and cash		**1,644,730**	1,669,481
		1,903,101	1,903,014
Current liabilities			
Trade and other payables	*12*	**213,146**	261,719
Lease liabilities		**224,036**	223,819
Contract liabilities		**1,327**	893
Amounts due to related companies		**4,921**	2,199
Amounts due to directors		**159**	2,609
Amounts due to non-controlling interests		**13,529**	13,542
Amounts due to associates		**2,154**	2,240
Amount due to a joint venture		**420**	355
Dividend payable		**109,154**	–
Taxation payable		**16,689**	20,361
Bank borrowings		**4,846**	5,079
		590,381	532,816

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Net current assets	**1,312,720**	1,370,198
Total assets less current liabilities	**3,271,086**	3,451,237
Non-current liabilities		
Bank borrowings	**22,104**	24,887
Lease liabilities	**344,045**	399,110
Deferred tax liabilities	**107,543**	121,921
	473,692	545,918
Net assets	**2,797,394**	2,905,319
Capital and reserves		
Share capital	**108,404**	108,404
Reserves	**2,635,609**	2,738,362
Equity attributable to owners of the Company	**2,744,013**	2,846,766
Non-controlling interests	**53,381**	58,553
Total equity	**2,797,394**	2,905,319

1. BASIS OF PREPARATION

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

2. ACCOUNTING POLICIES

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

Other than change in accounting policies resulting from application of amendments to HKFRS Accounting Standards disclosed below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

The application of the amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. OPERATING SEGMENTS

Information reported to Ms. Poon Wai ("**Ms. Poon**"), the Group's chief operating decision maker, for the purposes of resource allocation and assessment of performance, is analysed by different operating divisions and geographical locations. This is also the basis upon which the Group is organised and specifically focuses on the Group's three operating divisions, namely operation of restaurants, manufacture and sales of noodles and related products and investment holding. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

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

Six months ended 30 June 2026 (unaudited)

	Operation of restaurants			Manufacture and sales of noodles and related products	Investment holding	Total reportable segment	Elimination	Total
	Mainland China	Hong Kong	Total					
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue								
– external sales	723,478	149,149	872,627	17,684	–	890,311	–	890,311
– inter-segment sales	–	–	–	343,603	–	343,603	(343,603)	–
	723,478	149,149	872,627	361,287	–	1,233,914	(343,603)	890,311
Segment profit	5,223	6,352	11,575	294	1,281	13,150	–	13,150
Interest income								15,424
Central administrative expenses								(7,981)
Unallocated finance costs								(341)
Profit before tax								20,252
Income tax expense								(3,782)
Profit for the period								16,470

Six months ended 30 June 2025 (unaudited)

	Operation of restaurants			Manufacture and sales of noodles and related products	Investment holding	Segment total	Elimination	Total
	Mainland China	Hong Kong	Total					
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue								
– external sales	730,640	118,455	849,095	26,241	–	875,336	–	875,336
– inter-segment sales	–	–	–	320,948	–	320,948	(320,948)	–
	730,640	118,455	849,095	347,189	–	1,196,284	(320,948)	875,336
Segment profit (loss)	39,775	601	40,376	179	(3,777)	36,778	–	36,778
Interest income								13,926
Central administrative expenses								(13,484)
Unallocated finance costs								(375)
Profit before tax								36,845
Income tax expense								(11,299)
Profit for the period								25,546

Segment profit (loss) represents the profit/loss earned/incurred by each segment without allocation of interest income, central administrative expenses, certain finance costs and income tax expense. This is the measure reported to the chief operating decision maker, Ms. Poon, for the purposes of resource allocation and assessment of segment performance.

Measures of total assets and total liabilities are not reported as these financial information is not reviewed by the Group's chief operating decision maker for the assessment of performance and resources allocation of the Group's business activities.

Other than financial assets at FVTPL, loan to an associate, rental deposits, term deposits with banks and deferred tax assets, the Group's non-current assets are located in the Group entities' regions of domicile, Mainland China and Hong Kong.

All of the Group's revenue from external customers are attributed to the location of the relevant group entities, which are Mainland China and Hong Kong, for the current and preceding interim periods.

The following table sets forth the Group's revenue from external customers and the Group's non-current assets by geographical location of assets:

	Revenue from external customers Six months ended 30 June		Non-current assets	
	2026	2025	**30 June 2026**	31 December 2025
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)
Mainland China	**738,782**	753,810	**1,243,565**	1,341,971
Hong Kong	**151,529**	121,526	**452,665**	474,521
	890,311	875,336	**1,696,230**	1,816,492

None of the customers accounted for 10% or more of the total revenue of the Group in each of the current and preceding interim periods.

4. OTHER INCOME

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Royalty income from sub-franchisees	**3,055**	1,765
Property rental income, net of direct outgoings *(Note i)*	**17,139**	20,430
Bank interest income	**15,424**	13,926
Government grants *(Note ii)*	**332**	422
Waive of franchise commission payable to a related party *(Note iii)*	**–**	6,442
Others	**3,151**	2,251
	39,101	45,236

Note i: Direct outgoings during the current interim period amounted to RMB834,000 (six months ended 30 June 2025: RMB820,000).

Note ii: The grants were received from Mainland China local district authorities with no specific conditions attached.

Note iii: Franchise commission payable to a related party, namely Shigemitsu Industry Co., Ltd, has been waived under mutually agreed terms.

5. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss on disposal of property, plant and equipment	**(1,063)**	(1,051)
Interest income from financial assets at FVTPL	**73**	63
Fair value loss on investment properties	**(11,214)**	(19,414)
Fair value loss on financial assets at FVTPL	**(1,959)**	(3,310)
Net foreign exchange gain	**6,785**	3,078
Gain on early termination of leases, net	**1,561**	5,166
	(5,817)	(15,468)

6. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging the following items:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	**48,365**	50,165
Depreciation of right-of-use assets	**128,624**	116,445
Total depreciation	**176,989**	166,610
Fuel and utility expenses	**45,042**	44,554
Property rentals in respect of		
– Variable lease payment	**9,396**	8,821
– Short-term lease payment	**6,255**	6,289

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Hong Kong Profits Tax		
– Current period	**1,053**	1,354
– (Over) under provision in prior periods	**(121)**	103
	932	1,457
Mainland China Enterprise Income Tax ("EIT")		
– Current period	**8,675**	9,220
– (Over) under provision in prior periods	**(1,517)**	512
	7,158	9,732
Withholding tax paid	**13,609**	3,030
Deferred taxation	**(17,917)**	(2,920)
	3,782	11,299

Under the two-tiered profits tax rates regime of Hong Kong, the first HK$2 million of assessable profit for a qualifying group entity is taxed at 8.25%, while profits above HK$2 million are taxed at 16.5%. Group entities that do not qualify for the two-tiered profits tax rates regime continue to be taxed at a flat rate of 16.5% on their estimated assessable profit.

In accordance with the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the subsidiaries in Mainland China are subject to EIT rate of 25%.

Pursuant to the relevant provincial policy, Chongqing Ajisen Catering&Culture Co.,Ltd. (重慶味千餐飲文化有限公司) ("**Chongqing Weiqian**"), a subsidiary of the Group, successfully applied a preferential tax rate of 15% for a term of 9 years from 2021 to 2030.

According to the tax law and implementation regulations in the PRC, dividends paid from net profits earned by the operating subsidiaries in Mainland China after 1 January 2008 are subject to withholding tax at a rate of 10%, unless a lower treaty rate applies. Under the relevant tax treaty, dividends paid to Hong Kong resident companies are subject to a reduced withholding tax rate of 5%. Withholding tax has been provided based on the anticipated level of dividend payout ratio of the entities in Mainland China.

8. DIVIDENDS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Dividends recognised as distribution during the period:		
Final, declared – RMB0.10 (HK11.3 cents) per share for 2025 (six months ended 30 June 2025: declared – RMB0.06 (HK6.4 cents) per share for 2024)	**109,154**	65,492
Dividends distributed to non-controlling interests of subsidiaries	**5,094**	–
	114,248	65,492

The final dividend for 2025 had been paid subsequent to the current interim period.

9. 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	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings for the purposes of basic and diluted earnings per share, being profit for the period attributable to owners of the Company	**16,967**	24,232
	Number of shares	
Number of ordinary shares for the purpose of calculating basic and diluted earnings per share	**1,091,538,820**	1,091,538,820

For the six months ended 30 June 2026 and 2025, all outstanding share options of the Company have not been included in the computation of diluted earnings per share as they did not have dilutive effect to the Group's earnings per share because the exercise prices of these options were higher than the average market prices of the Company's share during the current interim period.

10. FINANCIAL ASSETS AT FVTPL

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Current asset:		
Reverse repurchase treasury bond *(Note i)*	**14,702**	10,128
Non-current asset:		
Unlisted equity investments and fund investments *(Note ii)*	**107,225**	109,184
	121,927	119,312

Note i: During the period ended 30 June 2026, the Group purchased reverse repurchase treasury bond issued by the PRC government with interest yield rates ranging from 1.4% to 1.8% (2025: from 1.0% to 1.5%) per annum and with maturity ranging from 7 days to 28 days (2025: from 2 days to 28 days).

Note ii: The above unlisted equity investments and fund investments represent the Group's investments in certain private entities and funds established in Mainland China. The management of the Group, by reference to the valuation model formulated by the external independent qualified valuer engaged by the Group, revisited and determined the appropriate assumptions and inputs for fair value measurement for these unlisted equity investments and fund investments.

11. TRADE AND OTHER RECEIVABLES

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Trade receivables		
– third parties	**13,096**	16,757
Less: allowance for credit losses	**(1,214)**	(951)
	11,882	15,806
Other receivables-current		
Value added tax recoverable	**57,276**	53,370
Rental and utility deposits	**37,378**	34,650
Prepaid management fee and property rental *(Note)*	**14,664**	12,946
Advance to suppliers	**23,360**	19,524
Lease receivables	**7,742**	2,922
Prepayments	**4,961**	6,028
Staff advance	**4,722**	4,166
Others	**3,768**	5,052
	153,871	138,658
Less: allowance for credit losses	**(566)**	(296)
Other receivables-non-current		
Value added tax recoverable	**3,099**	–
	3,099	–
	156,404	138,362
	168,286	154,168

Note: The prepaid property rentals are related to restaurant rental expenses.

Customers relating to manufacture and sales of noodles and related products are either having no credit period or granted up to 90 days (2025: 0 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 (2025: 180 days). There is no credit period for customers relating to sales from operation of restaurants, unless when the payments are made through online electronic payment platforms, in which case the trade receivables from these online electronic payment platforms are normally settled within 30 days.

The following is an analysis of trade receivables by age, net of ECL, presented based on the invoice date which approximated the revenue recognition date.

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0 to 30 days	**3,473**	12,837
31 to 60 days	**3,240**	917
61 to 90 days	**2,642**	1,458
91 to 180 days	**2,407**	561
181 to 365 days	**120**	33
	11,882	15,806

12. TRADE AND OTHER PAYABLES

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade payables		
– related parties *(Note)*	**16,585**	27,738
– third parties	**65,339**	76,935
	81,924	104,673
Payroll and welfare payables	**37,161**	46,928
Rental deposits received	**15,451**	15,762
Payable for acquisition of property, plant and equipment	**19,835**	22,375
Payable for variable lease payments	**9,514**	11,469
Other taxes payable	**6,659**	7,630
Others	**42,602**	52,882
	213,146	261,719

Note: The related parties are the companies in which Mr. Katsuaki Shigemitsu, who is a director and shareholder of the Company, has controlling interests.

The average credit period for the purchase of goods is 60 days (2025: 60 days). The following is an analysis of trade payables by age, presented based on the invoice date.

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0 to 30 days	**54,109**	79,641
31 to 60 days	**19,319**	15,389
61 to 90 days	**450**	2,558
91 to 180 days	**850**	1,957
Over 180 days	**7,196**	5,128
	81,924	104,673

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Review

During the six months ended 30 June 2026 (the "**Period**"), amid a complex environment, the Chinese economy withstood pressures and sustained an overall stable development trajectory with a trend toward higher quality and greater improvement, demonstrating strong resilience and vitality. According to data from the National Bureau of Statistics of China, during the Period, China's gross domestic product (GDP) reached RMB69,570.4 billion, representing a year-on-year increase of 4.7% at constant prices (same period in 2025: 5.3%); total retail sales of consumer goods amounted to RMB24,872.2 billion, representing a year-on-year increase of 1.3%; national per capita disposable income of residents was RMB22,981, representing a nominal year-on-year increase of 5.2%, or a real increase of 4.2% after deducting price factors; and the national consumer price index (CPI) rose by 1.0% year-on-year.

As one of the core sectors driving domestic demand, the catering industry experienced intensifying competition during the first half of 2026, characterised by multi-layered divergence and complex dynamics. Data from the National Bureau of Statistics of China showed that national catering revenue reached RMB2,825.5 billion, representing a year-on-year increase of 2.8%, a decrease of 1.5 percentage points compared with the same period in 2025, indicating weakening growth momentum and an overall shift to a low-growth phase. Notably, June witnessed significant monthly fluctuations, with national catering revenue increasing by 1.2% year-on-year, while revenue from catering enterprises above designated size increased by only 0.1% year-on-year, reflecting that instability in the external environment continued to dampen consumer confidence, and mid-to-large chain enterprises faced more pronounced development challenges.

From the perspective of industry trends, the catering market currently exhibits a dual-track pattern of "consumer stratification and value dimension upgrading". On the market demand side, consumers no longer unilaterally pursue high-end decoration and premium positioning, but place greater emphasis on cost-effectiveness and practical attributes when making purchasing decisions. Consumption scenarios continue to shift toward lower-tier markets and budget-friendly discount stores, with overall demand structure concentrating on essential daily necessities, fundamentally reshaping the industry's consumption logic, although consumers' underlying demand for ingredient quality, as well as dine-in and delivery service experiences has not weakened. Meanwhile, digitalisation and online penetration in the industry continue to rise, with the omnichannel catering ecosystem built on various platforms expanding constantly. However, as stock-based competition intensifies and online traffic markets gradually approach saturation, the growth rate of online revenue has significantly narrowed, and therefore the growth logic relying solely on online traffic acquisition is unsustainable. Catering operators urgently need to integrate dual-channel operating systems, enhance omnichannel collaborative management capabilities, and comprehensively refine the full-journey consumption experience to solidify their market competitiveness.

Despite the ongoing pressure on the catering industry, from a medium-to-long-term industry development perspective, consumers' escalating demand for quality, health, and scenario-based experiences, along with industrial transformations such as the standardised integration of upstream supply chains, and full-chain digital and intelligent transformation, will continue to drive the industry toward high-quality operations. Catering brands must achieve cost reduction and efficiency improvement through refined management to alleviate current operating pressures, while also keeping pace with market changes by continuously refining menu and product portfolio innovations and optimising online-and-offline omnichannel consumption scenarios to strengthen their competitive moats. In the long run, standardised chain expansion, full-process digital operations, and the integration of multi-format and diversified business models will serve as the core pillars of catering industry development, helping to unlock long-term growth potential for the industry.

In the first half of 2026, the overall catering market maintained positive growth, although the pace of industry-wide expansion slowed, and multiple factors including consumer stratification, cost pressures and intensifying peer competition coexisted, propelling the entire industry into a phase of structural adjustment and business model evolution. Entering the second half of the year, traditional peak consumption seasons such as summer tourist spending, Mid-Autumn Festival family feasts, and National Day holiday dining are set to follow in succession, which is expected to drive a concentrated release of catering market demand and stimulate an overall recovery in industry revenue. The Group will remain committed to adhering to high standards in controlling both product and service quality, implementing refined internal management mechanisms, and exercising comprehensive control over operating costs. The Group will also accelerate omnichannel digital upgrade, enhance the operating system that integrates online traffic operations with offline store services, and continuously consolidate its core competitiveness. Meanwhile, the Group will persistently refine high-value dining services to meet consumers' diverse meal needs, stabilise business performance, and strive to deliver long-term and stable investment returns to its shareholders and investors.

Business Review

During the Period, the Group recorded a turnover of approximately RMB890.3 million, representing an increase of 1.7% compared with approximately RMB875.3 million for the corresponding period in 2025. The increase was mainly driven by a substantial rise in revenue from Hong Kong restaurant operations (an increase of approximately 26%), which offset a slight decline in sales from restaurant operations in Mainland China. The strong performance of the Hong Kong operations was attributable to prime store locations and contributions from newly-opened stores. Overall restaurant operations generated revenue of approximately RMB872.6 million (an increase of 2.8%).

The year 2026 marks the 30th anniversary of the Group's entry into the Hong Kong market. In Mainland China, the Group rolled out its "Freshness Strategy", centering on the core concept of "fresh pork bones, freshly simmered daily" by shifting the bone broth preparation process from central kitchens back to individual stores, and switching to premium fresh domestic pork bones with end-to-end cold chain distribution. On 6 February 2026, "Fresh Bone Broth" and the new product "Super Pork Bone Ramen" were first launched at the Shanghai Kinetic Plaza store, receiving enthusiastic market response, particularly among younger consumers, with favourable repurchase rates.

Subsequently, the Group embarked on a "Freshness Tour", and rolled out store renovations in Wuxi, Ningbo, Hangzhou and other cities, featuring open-kitchen designs that allow customers to witness the entire process of washing, blanching and slow simmering of the bones. At the end of May, the Group held a brand strategy renewal press conference in Shanghai and entered into a nutritional research cooperation with Jiangnan University. The Group also hosted its inaugural Children's Food Festival, and offered free large pork bone ramen to children at nearly 560 stores nationwide on Children's Day.

In terms of cost control, the Group continued to optimise its procurement system and improve operational efficiency across its five major production bases in Shanghai, Chengdu, Tianjin, Wuhan and Dongguan, thereby effectively reducing wastage. Staff costs increased only marginally by 1.8% to approximately RMB244.0 million, and the staff costs as a percentage of turnover remained stable at around 27.4%, reflecting results from the Group's manpower structure adjustments and role function optimisation.

Looking ahead, the Group will keep implementing the "Freshness Strategy" nationwide, deepen product innovation (including nutritional meals for children), strengthen cost and risk management, and enhance store operational efficiency, so as to capture market opportunities, consolidate its competitiveness and deliver sustainable value for shareholders.

Retail Chain Restaurants

During the Period, the Group's major business and primary source of income continued to stem from the retail chain restaurant business. During the Period, the Group's restaurant business income recorded approximately RMB872,627,000 (corresponding period in 2025; approximately RMB849,095,000), accounted for approximately 98.0% (corresponding period in 2025; approximately 97.0%) of the Group's total revenue, an increase of approximately 2.8% from the corresponding period in 2025.

As at 30 June 2026, the Group's restaurant portfolio consisted of 610 chain restaurants, comprising the following:

By provinces	**30-June 2026**	30-June 2025	+/–
Shanghai	**106**	109	-3
Beijing	**42**	40	+2
Tianjin	**2**	2	–
Guangdong (excluding Shenzhen)	**61**	64	-3
Shenzhen	**27**	24	+3
Jiangsu	**85**	86	-1
Zhejiang	**55**	62	-7
Sichuan	**13**	13	–
Chongqing	**11**	11	–
Fujian	**11**	12	-1
Hunan	**14**	12	+2
Hubei	**15**	12	+3
Liaoning	**4**	4	–
Shandong	**31**	32	-1
Guangxi	**15**	15	–
Guizhou	**4**	4	–
Jiangxi	**11**	12	-1
Shaanxi	**7**	7	–
Yunnan	**10**	10	–
Henan	**3**	3	–
Hebei	**5**	7	-2
Anhui	**14**	14	–
Xinjiang	**2**	2	–
Hainan	**3**	3	–
Shanxi	**2**	2	–
Neimenggu	**3**	3	–
Heilongjiang	**6**	6	–
Ningxia	**1**	1	–
Jilin	**4**	4	–
Hong Kong	**42**	31	+11
Rome	**1**	1	–
	610	608	+2

By geographical region:	**30-June 2026**	30-June 2025	+/–
Northern China	**96**	97	-1
Eastern China	**260**	271	-11
Southern China	**170**	161	+9
Central China	**83**	78	+5
Europe	**1**	1	–
Total	**610**	608	+2

Financial Review

Turnover

During the Period, the Group's total revenue amounted to approximately RMB890,311,000, representing an increase of 1.7% as compared with approximately RMB875,336,000 for the corresponding period in 2025.

Restaurant operations remained the Group's principal source of revenue and accounted for approximately 98.0% of the Group's total revenue (corresponding period in 2025: 97.0%). Sales from restaurant operations amounted to approximately RMB872,627,000, representing an increase of 2.8% as compared with approximately RMB849,095,000 in the corresponding period of 2025.

By geographical segment:

- Sales from Hong Kong restaurants increased by 25.9% from approximately RMB118,455,000 to approximately RMB149,149,000, mainly attributable to the net increase in the number of restaurants in Hong Kong.

- Sales from Mainland China restaurants decreased slightly by 1.0% from approximately RMB730,640,000 to approximately RMB723,478,000. During the Period, the share of takeaway and delivery sales in the Mainland China restaurant operations continued to increase, this reflected a further shift in consumer dining habits.

The increase in overall restaurant sales was mainly driven by the expansion of the Hong Kong store network, which more than offset the slight decline in Mainland China restaurant sales.

Cost of inventories consumed and gross profit

Cost of inventories consumed increased by 1.9% to approximately RMB205,366,000 from approximately RMB201,440,000 in the corresponding period of 2025. The increase was slightly higher than the growth in revenue.

Gross profit rose by 1.6% to approximately RMB684,945,000 (2025: approximately RMB673,896,000). Gross profit margin decreased modestly from 77.0% to 76.9%. The Group continued to implement effective cost control measures during the Period.

Staff costs

Staff costs increased by 1.8% to approximately RMB243,991,000 from approximately RMB239,662,000 in the corresponding period of 2025. The increase was broadly in line with the growth in revenue, and staff costs as a percentage of revenue remained stable at approximately 27.4%.

Depreciation

Total depreciation increased by 6.2% to approximately RMB176,989,000 from approximately RMB166,610,000 in the corresponding period of 2025. The increase was mainly attributable to higher depreciation of right-of-use assets, which rose from RMB116,445,000 to RMB128,624,000, primarily as a result of additional leases entered into during the Period, particularly in Hong Kong.

Other operating expenses

Other operating expenses for the six months ended 30 June 2026 increased by approximately RMB4.6 million (or 1.9%) to approximately RMB241.1 million (2025: approximately RMB236.5 million). Although the overall increase was moderate and broadly in line with the 1.7% growth in revenue, the composition of the increase warrants attention.

In particular, service charges for delivery platforms rose substantially by approximately RMB10.2 million to approximately RMB45.8 million (2025: approximately RMB35.6 million), while consumables and utensils increased by approximately RMB5.2 million to approximately RMB29.0 million (2025: approximately RMB23.8 million). These increases were mainly attributable to the continued expansion in the proportion of the Group's takeaway and delivery business, reflecting the ongoing shift in consumer dining preferences towards online channels in Mainland China.

Set out below is the breakdown of the main operating expenses for the periods ended 30 June 2026 and 2025.

	30 June 2026 *RMB million*	30 June 2025 *RMB million*	Change
Service charges for delivery platforms	**45.8**	35.6	+28.7%
Utilities	**45.0**	44.6	+0.9%
Store and factory management fee	**33.4**	32.9	+1.5%
Consumables & utensils	**29.0**	23.8	+21.8%
Logistics expenses	**13.4**	14.8	-9.5%
Advertising and promotions	**10.0**	10.5	-4.8%
Franchise expenses	**9.5**	11.7	-18.8%
Rental expenses under variable lease payment	**9.4**	8.8	+6.8%
Rental expenses under short-term lease	**6.3**	6.3	0.0%
Consultancy fee	**3.5**	4.5	-22.2%
Travelling expenses	**1.9**	2.9	-34.5%
Cleaning expenses	**1.9**	1.6	+18.8%
Repairment and maintenance expenses	**1.6**	1.6	0.0%
Bank charges on credit card payment	**1.2**	2.2	-45.5%

Other income

Other income decreased to approximately RMB39,101,000 from approximately RMB45,236,000 in the corresponding period of 2025.

The decrease was mainly attributable to lower property rental income (approximately RMB17,139,000 versus approximately RMB20,430,000), principally reflecting lower occupancy of the Hong Kong's investment properties.

In addition, no waiver of franchise commission was recognised during the Period (corresponding period in 2025: approximately RMB6,442,000). The waiver was no longer applicable following the formal reduction of franchise fees payable to Shigemitsu Industry under the supplemental franchise agreements dated 28 July 2025 (Hong Kong: from HK$7,000 to HK$5,000 per shop per month; Mainland China: from RMB3,500 to RMB2,500 per shop per month) for the years ending 31 December 2025 and 2026.

Other gains and losses

Other gains and losses for the six months ended 30 June 2026 recorded a net loss of approximately RMB5.8 million, narrowed by approximately 62.4% from approximately RMB15.5 million in the corresponding period of 2025.

The improvement was mainly attributable to a lower fair value loss on investment properties of approximately RMB11.2 million (2025: approximately RMB19.4 million). Although the fair value loss narrowed, the Group continued to record a revaluation deficit, indicating that the property markets in Hong Kong and Mainland China had not yet shown a recovery during the Period.

Finance costs

Finance costs decreased slightly to approximately RMB11,137,000 from approximately RMB11,360,000 in the corresponding period of 2025.

Set out below is the breakdown of the finance costs:

	30 June 2026 ***RMB'000*** **(Unaudited)**	30 June 2025 *RMB'000* (Unaudited)
Interest on bank borrowings	**341**	375
Interest on lease liabilities	**10,796**	10,985
Total	**11,137**	11,360

Interest on bank borrowings continued to decline as the outstanding balance of the property loan was gradually reduced. Interest on lease liabilities remained broadly stable during the Period.

Profit before tax

Despite the increase in turnover, the Group recorded profit before tax of approximately RMB20,252,000 for the Period (30 June 2025: approximately RMB36,845,000). The decline was mainly attributable to higher operating expenses arising from the continued expansion of the Group's takeaway and delivery business, in particular the increases in service charges for delivery platforms and consumables and utensils.

Profit attributable to owners of the Company

Profit attributable to owners of the Company amounted to approximately RMB16,967,000 (30 June 2025: approximately RMB24,232,000).

RISK MANAGEMENT

Liquidity and financial resources

The liquidity and financial position of the Group as at 30 June 2026 remained healthy and strong, with bank balances and cash amounting to approximately RMB1,644,730,000 (31 December 2025: approximately RMB1,669,481,000) and a current ratio of 3.2 (31 December 2025: 3.6).

As at 30 June 2026, the Group had bank borrowings of approximately RMB26,950,000 (31 December 2025: approximately RMB29,966,000) and therefore the gearing ratio (expressed as a percentage of total borrowings over total assets) was 0.7% (31 December 2025: 0.8%).

Exposure to exchange rates

At present, most of the Group's business transactions, assets and liabilities are denominated in RMB and settled in RMB. The Group's exposure to currency risk is minimal as the Group's assets and liabilities as at 30 June 2026 and 31 December 2025 were denominated in the respective Group companies' functional currencies. The Group does not have any currency hedging policy and has not entered into any hedging or other instrument to reduce currency risks. However, the management will closely monitor the Group's exposure to the fluctuation of exchange rates and take appropriate measures as necessary to minimise any adverse impact that may be caused by such fluctuation.

Interest rate risk

As the Group has no significant interest-bearing assets (other than restricted bank deposits and cash and cash equivalents), the Group's income and operating cash flows are substantially independent of changes in market interest rates.

Credit risk

The Group has no significant concentrations of credit risk. The carrying amounts of trade receivables, deposits and other receivables, cash and cash equivalents, term deposits with banks and restricted bank deposits included in the condensed consolidated statement of financial position represent the maximum exposure to credit risk in relation to the Group's financial assets. The Group typically does not require collaterals from customers. Provisions are made for the balance that is past due when the management considers the loss from non-performance by the customers is likely. Sales to retail customers are settled in cash or by major credit cards. The Group also makes deposits to the relevant landlords for lease of certain of the self-managed outlets. The management does not expect to incur any loss from non-performance by these counterparties. As of 30 June 2026 and 31 December 2025 all of the bank balances, term deposits with banks and restricted bank deposits were deposited with highly reputable and sizable banks and financial institutions without significant credit risk in Mainland China and Hong Kong. The management does not expect to incur any loss from non-performance by these banks and financial institutions.

Contingent liabilities

As of 30 June 2026, the Group did not have any significant contingent liabilities.

Assets and liabilities

The Group's net current assets were approximately RMB1,312,720,000 and the current ratio was 3.2 as at 30 June 2026 (31 December 2025: 3.6). 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.

Cash flows

Net cash inflow from operations of the Group for the six months ended 30 June 2026 was approximately RMB141,367,000 while the Group recorded profit before tax for the same period of approximately RMB20,252,000. The difference was primarily due to the non-cash items, depreciation of property, plant and equipment and right-of-use assets, fair value loss on investment properties and financial assets at FVTPL and the impairment loss recognised on property, plant and equipment and right-of-use-assets.

Capital expenditure

For the six months ended 30 June 2026, the Group's capital expenditure was approximately RMB31,948,000 (corresponding period in 2025: RMB42,388,000). The Group remains committed to expanding its restaurant network while maintaining stringent cost control over the capital expenditure.

Subsequent events

Subsequent to 30 June 2026, no material events affecting the Company and its subsidiaries have occurred.

Significant investments held, material acquisitions and disposals of subsidiaries, and future plans for material investments or capital assets

Save for those disclosed in this announcement, there were no other significant investments held, nor were there any material acquisitions or disposals of subsidiaries during the Period under review. Apart from those disclosed in this announcement, there was no plan authorised by the Board for other material investments or additions of capital assets at the date of this announcement. The Board further confirms that the Group's transactions in financial assets during the Reporting Period, whether considered on a standalone or aggregate basis, did not constitute notifiable transactions under Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

OTHER INFORMATION

Compliance with the Corporate Governance Code

The Company has adopted the Corporate Governance Code (the "**Code**") as set out in Appendix C1 to the Rules Governing the Listing Rules and complied with all applicable code provisions under the Code throughout the period ended 30 June 2026, save and except for the deviation from the code provision C.2.1 of the Code.

Pursuant to the code provision C.2.1, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Currently, the Company does not comply with code provision C.2.1, i.e., the roles of the chairman and chief executive have not been separated. Although Ms. Poon Wai performs both the roles of chairman of Board (the "**Chairman**") and the chief executive officer of the Company (the "**CEO**"), the division of responsibilities between the Chairman and CEO is 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 at the current stage. It is also considered 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 the 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 as set out in Appendix C3 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 2026, they were in compliance with the Required Standard.

The Company has also established written guidelines on no less exacting than the Model Code (the "**Employees Written Guidelines**") for governing the securities transactions by employees who are likely to possess inside information of the Company or its securities. No incident of non-compliance of the Employees Written Guidelines by the relevant employees was noted by the Company throughout the six months ended 30 June 2026. In case when the Company is aware of any restricted period for the dealings in the Company's securities, the Company will notify its directors and relevant employee in advance.

Audit Committee Review

The audit committee of the Company (the "**Audit Committee**"), which comprises three independent non-executive Directors, namely Mr. Jen Shek Voon (Chairman of the Audit Committee), Mr. Lo Peter and Mr. Ho Pak Chuen Brian, reviewed the accounting principles and practices adopted by the Company and discussed auditing, risk management and internal controls, and financial reporting matters. The Company's unaudited interim results for the six months ended 30 June 2026 have been reviewed by the Audit Committee.

Auditors

The Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2026 have been reviewed by Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the auditors of the Company.

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company (including sale of treasury shares) on the Stock Exchange during the six months ended 30 June 2026. As of June 30, 2026, the Company did not hold any treasury shares.

Employee's Remuneration and Policy

As at 30 June 2026, the Group employed 7,376 persons (30 June 2025: 8,055 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 2026 was approximately RMB243,991,000 (30 June 2025: approximately RMB239,662,000).

Dividend

The Board resolved not to declare the payment of an interim dividend for the six months ended 30 June 2026 (30 June 2025: nil).

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND THE INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the Company's website (www.ajisen.com.hk) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk). The interim report of the Company for the six months ended 30 June 2026 will be dispatched to the shareholders of the Company (if requested) and published on the afore-mentioned websites in due course.

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

Hong Kong, 27 August 2026

As at the date of this announcement, the Board comprises Ms. Poon Wai, Mr. Poon Ka Man, Jason and Ms. Ng Minna as executive Directors; Mr. Katsuaki Shigemitsu and Mr. Yew Yat On as non-executive Directors; and Mr. Lo Peter, Mr. Jen Shek Voon and Mr. Ho Pak Chuen Brian as independent non-executive Directors.