



# 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

大骨熬湯  
五十年  
創立于  
一九六八



2024 中期報告  
INTERIM REPORT

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## Corporate Profile

Ajisen (China) Holdings Limited (stock code: 538) (“Ajisen (China)” 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 of the PRC (“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, and have 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.

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 2024, the Group’s nationwide retail network comprises 575 restaurants, Ajisen restaurants have entered over 129 cities and 29 provinces and municipalities of the PRC. Among the major cities, the international metropolis Shanghai boasts the largest number of Ajisen restaurants, being 103, followed by 70 in Jiangsu and 63 in Guangdong (excluding Shenzhen), together with the remaining 339 restaurants spanning across other major cities from the southern to the northern region of the PRC. In Hong Kong, Ajisen (China) operates 23 chain restaurants with its chain network covering all major business areas of the city. The Group also operates 2 restaurants in Europe. Moreover, the restaurant network is supported by the Group’s Shanghai, Chengdu, Tianjin, Wuhan and Dongguan production bases.

On 30 March 2007, Ajisen (China) was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), which made 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 awarded by the influential international financial magazine Business Week.

Ajisen (China)’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, and was selected again as one of the “Chinese Enterprises With Best Potential 2008”. Besides, Ms. Poon Wai, Chairman and Chief Executive Officer of the Group, was also enlisted into “Chinese Celebrities” by Forbes.

Ajisen (China) 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

Ms. Ng Minna

### Non-executive Directors

Mr. Katsuaki Shigemitsu

Mr. Yew Yat On

### Independent Non-executive Directors

Mr. Lo Peter

Mr. Jen Shek Voon

Mr. Ho Pak Chuen Brian (appointed on 5 April 2024)

Mr. Wang Jincheng (resigned on 5 January 2024)

## Audit Committee

Mr. Jen Shek Voon *(Chairman)*

Mr. Lo Peter

Mr. Ho Pak Chuen Brian (appointed on 5 April 2024)

Mr. Wang Jincheng (resigned on 5 January 2024)

## Remuneration Committee

Mr. Lo Peter *(Chairman)*

Mr. Jen Shek Voon

Mr. Ho Pak Chuen Brian (appointed on 5 April 2024)

Mr. Wang Jincheng (resigned on 5 January 2024)

## Nomination Committee

Mr. Ho Pak Chuen Brian *(Chairman)*

*(appointed on 5 April 2024)*

Mr. Lo Peter

Mr. Jen Shek Voon

Mr. Wang Jincheng (resigned on 5 January 2024)

## Authorised Representatives

Ms. Poon Wai

Ms. Cheung Lai Ha

## Company Secretary

Ms. Cheung Lai Ha

## Head Office and Principal Place of Business in Hong Kong

6th Floor, Ajisen Group Tower

Block B

24-26 Sze Shan Street

Yau Tong, Kowloon

Hong Kong

## Registered Office

Windward 3

Regatta Office Park

PO Box 1350

Grand Cayman KY-1108

Cayman Islands

## Principal Share Registrar and Transfer Office

Ocorian Trust (Cayman) Limited

Windward 3

Regatta Office Park

PO Box 1350

Grand Cayman KY1-1108

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  
OCBC Wing Hang Bank Limited

### Auditor

Deloitte Touche Tohmatsu  
Registered Public Interest Entity Auditors

### Hong Kong Legal Adviser

Fairbairn Catley Low & Kong

### Investor and Media Relations Consultant

Wonderful Sky Financial Group  
[www.wsfg.hk](http://www.wsfg.hk)

### Investor Relations Contact

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### Company Websites

[www.ajisen.com.hk](http://www.ajisen.com.hk)  
[www.ajisen.com.cn](http://www.ajisen.com.cn)

### Stock Code

538

## FINANCIAL HIGHLIGHTS

For the six months ended 30 June (unaudited)	2024	2023	+/- %
Turnover (RMB million)	<b>826.8</b>	884.8	(6.6)
Gross profit (RMB million)	<b>636.3</b>	665.0	(4.3)
(Loss) profit before taxation (RMB million)	<b>(15.6)</b>	181.3	N/A
(Loss) profit attributable to owners of the Company (RMB million)	<b>(7.2)</b>	133.1	N/A
(Loss) earnings per share – basic (RMB)	<b>(0.01)</b>	0.12	N/A



## Industry Review

During the six months ended 30 June 2024 (the “Period”), despite the difficulties and challenges faced, China’s economic fundamentals remained sound and healthy while the quality of development continued to improve, which was not an easy feat to achieve. According to the National Bureau of Statistics of China, during the Period, China’s gross domestic product (GDP) amounted to RMB61,683.6 billion, representing a year-on-year increase of 5.0% (same period in 2023: 5.5%); the total retail sales of consumer goods amounted to RMB23,596.9 billion; the national per capita disposable income of households was RMB20,733, representing a real growth of 5.3% after deducting price factors; and the consumer price index (CPI) increased by 0.1% year on year.

In the first half of 2024, competition in the catering industry was intense. According to the National Bureau of Statistics of China, the national revenue of the catering industry was RMB2,624.3 billion, representing a year-on-year increase of 7.9%, which was higher than the year-on-year growth rate of total retail sales of consumer goods of 3.7%. According to data from CNNIC and Askci, as of December 2023, the number of online takeaway users in China reached 550 million, representing an increase of 23.38 million from December 2022, and accounting for 49.9% of the total number of internet users. The rapid advancement of “Internet+” technology and changes in consumer behaviour have made the catering industry the largest entrance to the online internet connecting to the offline, and the new trend of online-offline integration is gradually becoming a new mode of marketing in the catering industry. Against this backdrop, catering enterprises must make a balanced layout of and concerted efforts for both online and offline channels so as to ensure that their brand influence and market competitiveness can be enhanced simultaneously, thereby standing out in the fierce market competition and gaining more room for survival and development.

The catering industry is an important industry for stabilising growth, promoting consumption, expanding employment growth and improving people’s livelihood, and digitisation is an important direction for the restructuring and upgrading of the catering industry. With the continuous improvement of the digitisation in the catering industry, the catering industry will continue to strengthen its development resilience, risk and impact resistance, while catering digitisation can promote catering enterprises to expand their sales channels, reduce transaction costs and stimulate the vitality of innovation, thus helping catering enterprises to improve operational efficiency and enhance profitability. In addition, digitisation also enables full life-cycle monitoring of catering enterprises and enhances the level of food safety protection, adding an advanced “protective barrier” to the food safety field, which is conducive to promoting the healthy development of the catering industry and helping China’s catering industry to go global.

In 2024, although China’s economic performance was generally stable, it should be noted that the current external environment is complex and sophisticated, effective domestic demand remains insufficient, and the foundation for economic recovery still needs to be consolidated. In the context of co-existence of both opportunities and risks, in the second half of the year, the Group will continue to implement its lean management strategy, improve product quality, ensure food safety and enhance brand reputation and influence. Meanwhile, the Group will actively optimise its marketing strategy and promote digital transformation and upgrading, so as to bring reasonably-priced, high-quality and tasty food to consumers and to create more lucrative returns for shareholders and investors.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Business Review

During the Period, the Group's turnover was approximately RMB826.8 million, representing a decrease of approximately 6.6% from approximately RMB884.8 million for the corresponding period in 2023.

Although the Group's catering business gradually recovered from the pandemic, the post-pandemic economic recovery has not been sustained and consumption has been downgraded, resulting in a drop in revenue, and the catering industry is still fraught with challenges. However, instead of standing still without advancing, the Group will actively develop new stores under the premise of carefully evaluating the selection of sites, so as to allow more customers to taste the quality and delicious Ajisen Ramen.

In addition to providing quality and delicious food, the Group also focuses on customers' store experience. Therefore, starting from the Period, the Group has upgraded many of its stores to bring customers a different experience. Furthermore, the Group also tried launching new packaged products for retail to balance and meet the different needs of the market.

The Group will continuously optimize its supply chain and seek quality suppliers around the world to supply raw materials at stable prices. The Group has also maintained five major production bases in Mainland China, including Shanghai, Chengdu, Tianjin, Wuhan and Dongguan, which guaranteed the food quality, food safety and stable supply of the Group's restaurants.

The effective operation of the existing 575 restaurants of the Group would not be achieved without our efficient management and intensive staff training. The Group also strengthened the guidance and training for restaurant managers and regional supervisors, and enhanced the operational efficiency of each restaurant through constant improvement of the management ability of frontline employees.

The Group will closely monitor market conditions, respond quickly to market changes, and identify new opportunities while maintaining stability, so as to achieve the Group's objective of sound and sustainable operation.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 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 RMB792,194,000 (corresponding period in 2023: approximately RMB842,594,000), accounted for approximately 95.8% (corresponding period in 2023: approximately 95.2%) of the Group's total revenue, a decrease of approximately 6.0% from the corresponding period last year.

As at 30 June 2024, the Group's restaurant portfolio consisted of 575 chain restaurants, comprising the following:

By provinces	30 June 2024	30 June 2023	+/-
Shanghai	103	100	+3
Beijing	33	32	+1
Tianjin	2	2	-
Guangdong (excluding Shenzhen)	63	60	+3
Shenzhen	20	18	+2
Jiangsu	70	70	-
Zhejiang	59	59	-
Sichuan	12	11	+1
Chongqing	11	11	-
Fujian	13	9	+4
Hunan	12	13	-1
Hubei	13	11	+2
Liaoning	5	6	-1
Shandong	31	33	-2
Guangxi	16	16	-
Guizhou	3	2	+1
Jiangxi	15	13	+2
Shaanxi	8	9	-1
Yunnan	11	10	+1
Henan	4	5	-1
Hebei	9	10	-1
Anhui	13	13	-
Xinjiang	2	2	-
Hainan	2	3	-1
Shanxi	4	4	-
Neimenggu	3	4	-1
Heilongjiang	7	11	-4
Ningxia	1	1	-
Jilin	5	7	-2
Hong Kong	23	22	+1
Rome	1	1	-
Finland	1	1	-
<b>Total</b>	<b>575</b>	<b>569</b>	<b>+6</b>



# MANAGEMENT DISCUSSION AND ANALYSIS

By geographical region	30 June 2024	30 June 2023	+/-
Northern China	96	105	-9
Eastern China	245	242	+3
Southern China	152	141	+11
Central China	80	79	+1
Europe	2	2	-
Total	575	569	+6

## Financial Review

### Turnover

For the six months ended 30 June 2024, the Group's turnover decreased by approximately 6.6% to approximately RMB826,790,000 from approximately RMB884,847,000 for the corresponding period in 2023. The decline in revenue was mainly due to the unsustainable economic recovery post-pandemic, along with intense competition in the restaurant industry, leading to a decrease in store traffic.

### Cost of inventories consumed

For the six months ended 30 June 2024, the Group's cost of inventories decreased by approximately 13.4% to approximately RMB190,529,000 from approximately RMB219,895,000 for the corresponding period in 2023. During the Period, the ratio of inventories cost to turnover was approximately 23.0%, which decreased by 1.9 percentage points from 24.9% for the corresponding period in 2023. The cost of inventories consumed proportion to turnover decreased compared to the same period last year was mainly due to the strengthened factory supply chain management which improved the production process and the production yield.

### Gross profit and gross profit margin

Driven by the above factors, gross profit for the six months ended 30 June 2024 decreased by approximately 4.3% to approximately RMB636,261,000 from approximately RMB664,952,000 for the corresponding period in 2023.

Gross profit margin of the Group increased to approximately 77.0% from approximately 75.1% for the corresponding period in 2023.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Staff costs

For the six months ended 30 June 2024, staff costs of the Group decreased by approximately 1.4% to approximately RMB224,511,000 from approximately RMB227,664,000 for the corresponding period in 2023. Staff costs as a proportion to turnover increased to approximately 27.2% from approximately 25.7% in the corresponding period in 2023. During the Period, the number of employees was similar to the corresponding period in 2023, and employee costs were relatively stable, however, due to a decrease in average revenue per store, the semi-fixed staff costs increased as a proportion to turnover.

### Depreciation

For the six months ended 30 June 2024, depreciation of the Group decreased by approximately 2.1% to approximately RMB156,919,000 from approximately RMB160,333,000 for the corresponding period in 2023. The number of restaurants remained relative stable in recent years and the property, plant and equipment of old restaurants have been fully depreciated, leading to a decrease in depreciation expenses.

### 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 2024, other operating expenses increased by approximately 15.1% to approximately RMB243,710,000 from approximately RMB211,704,000 for the corresponding period in 2023. There has been a general increase in other operating expenses due to the recovery in revenue.

Set out below is the breakdown of the main operating expenses for the periods ended 30 June 2024 and 2023.

	<b>30 June 2024</b> <i>RMB million</i>	30 June 2023 <i>RMB million</i>	% +/-
Utilities	<b>43.0</b>	36.7	+17.2%
Service charges for delivery platforms	<b>28.4</b>	24.4	+16.4%
Store and factory management fee	<b>28.2</b>	25.4	+11.0%
Consumables & utensils	<b>22.8</b>	21.8	+4.6%
Logistics expenses	<b>13.7</b>	14.0	-2.1%
Franchise expenses	<b>10.9</b>	10.9	-
Rental expenses under variable lease payment	<b>9.9</b>	13.1	-24.4%
Consultancy fee	<b>9.3</b>	0.5	+1,760%
Rental expenses under short-term lease	<b>8.3</b>	1.3	+538.5%
Advertising and promotions	<b>7.6</b>	4.9	+55.1%
Travelling expenses	<b>3.6</b>	3.0	+20%
Repairment and maintenance expenses	<b>2.3</b>	2.3	-
Bank charges on credit card payment	<b>2.1</b>	2.3	-8.7%
Cleaning expenses	<b>1.3</b>	1.2	+8.3%

## MANAGEMENT DISCUSSION AND ANALYSIS

### Other income

For the six months ended 30 June 2024, other income of the Group decreased by approximately 15.0% to approximately RMB46,681,000 from approximately RMB54,915,000 for the corresponding period in 2023. The decrease in other income is mainly due to the decrease in franchise commission waiver.

### Other gains and losses

For the six months ended 30 June 2024, other gains and losses of the Group recorded a net loss of approximately RMB61,755,000, while the corresponding period in 2023 recorded a net gain of approximately RMB70,077,000. The losses for the Period are mainly due to the unfavorable economic environment, which has led to a decrease in the valuation of assets. During the Period, the valuation of investments recorded at fair value through profit or loss decreased by approximately RMB12,404,000 and the valuation of investment properties decreased by approximately RMB36,792,000, additionally, the right-of-use assets were impaired by approximately RMB10,642,000.

### Finance costs

For the six months ended 30 June 2024, finance costs increased by approximately 11.6% to approximately RMB10,682,000 from approximately RMB9,570,000 for the corresponding period in 2023.

Set out below is the breakdown of the finance costs:

	<b>30 June 2024</b> <i>RMB'000</i> <b>(Unaudited)</b>	30 June 2023 <i>RMB'000</i> (Unaudited)
Interest on bank borrowings	<b>532</b>	523
Interest on lease liabilities	<b>10,150</b>	9,047
	<b>10,682</b>	9,570

Interest on bank borrowings remained stable while interest on lease liabilities increased due to the rise in the number of restaurants.

### Profit and loss before tax

Being affected by the factors referred to above, the Group recorded loss before tax of approximately RMB15,566,000 for the six months ended 30 June 2024 (30 June 2023: profit of approximately RMB181,256,000).

### Profit and loss attributable to owners of the Company

Being affected by the factors referred to above, loss attributable to owners of the Company for the six months ended 30 June 2024 amounted to approximately RMB7,157,000 (30 June 2023: profit of approximately RMB133,095,000).

## RISK MANAGEMENT

### Liquidity and financial resources

The liquidity and financial position of the Group as at 30 June 2024 remained healthy and strong, with bank balances and cash amounting to approximately RMB1,665,650,000 (31 December 2023: approximately RMB1,607,635,000) and a current ratio of 3.6 (31 December 2023: 4.1).

As at 30 June 2024, the Group had bank borrowings of approximately RMB35,952,000 (31 December 2023: approximately RMB37,484,000) and therefore the gearing ratio (expressed as a percentage of total borrowings over total assets) was 0.009 (31 December 2023: 0.009).

### 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 2024 and 31 December 2023 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 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 2024 and 31 December 2023, all of the bank balances 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.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Contingent liabilities

As of 30 June 2024, the Group did not have any significant contingent liabilities.

## Assets and liabilities

The Group's net current assets were approximately RMB1,382,586,000 and the current ratio was 3.6 as at 30 June 2024 (31 December 2023: 4.1). 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 2024 was approximately RMB191,809,000 while the Group recorded loss before tax for the same period of approximately RMB15,566,000. 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 2024, the Group's capital expenditure was approximately RMB47,554,000 (corresponding period in 2023: approximately RMB28,034,000). Although the economic outlook is uncertain, the Group will expand the restaurant network under controllable risks, leading to an increase in capital expenditure.

## Subsequent events

On 12 July 2024, the Company granted a total of 1,000,000 share options at an exercise price of HK\$1.010 per share with exercisable period from 12 July 2024 to 11 July 2034. The options will be vested in 5 equal tranches of 20% each, i.e. on 12 July 2025, 12 July 2026, 12 July 2027, 12 July 2028 and 12 July 2029 respectively.

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

Save for those disclosed in this report, 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 report, there was no plan authorised by the Board for other material investments or additions of capital assets at the date of this report.



# Deloitte.

# 德勤

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

*(incorporated in the Cayman Islands with limited liability)*

## 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 14 to 43, which comprise the condensed consolidated statement of financial position as of 30 June 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The 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 2024

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
<b>Revenue</b>	3	<b>826,790</b>	884,847
Cost of inventories consumed		<b>(190,529)</b>	(219,895)
Staff costs		<b>(224,511)</b>	(227,664)
Depreciation		<b>(156,919)</b>	(160,333)
Other operating expenses		<b>(243,710)</b>	(211,704)
Profit from operation		<b>11,121</b>	65,251
Other income	5	<b>46,681</b>	54,915
Impairment losses under expected credit loss model, net of reversal	16	<b>107</b>	(476)
Other gains and losses	6	<b>(61,755)</b>	70,077
Share of (loss) profit of associates		<b>(1,232)</b>	415
Share of profit of a joint venture		<b>194</b>	644
Finance costs	7	<b>(10,682)</b>	(9,570)
(Loss) profit before tax	8	<b>(15,566)</b>	181,256
Income tax credit (expense)	9	<b>11,305</b>	(41,660)
(Loss) profit for the period		<b>(4,261)</b>	139,596
<b>Other comprehensive income:</b>			
<b>Item that may be reclassified subsequently to profit or loss:</b>			
Exchange differences arising on translation of financial statements of foreign operations		<b>1,319</b>	25,965
Other comprehensive income for the period, net of income tax		<b>1,319</b>	25,965
Total comprehensive (expense) income for the period		<b>(2,942)</b>	165,561

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Note	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
(Loss) profit for the period attributable to:			
Owners of the Company		<b>(7,157)</b>	133,095
Non-controlling interests		<b>2,896</b>	6,501
		<b>(4,261)</b>	139,596
Total comprehensive (expense) income for the period attributable to:			
Owners of the Company		<b>(3,961)</b>	156,155
Non-controlling interests		<b>1,019</b>	9,406
		<b>(2,942)</b>	165,561
		<b>RMB</b>	RMB
(Loss) earnings per share	11		
– Basic and diluted		<b>(0.01)</b>	0.12

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	Notes	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
<b>Non-current Assets</b>			
Investment properties	12	973,273	1,007,255
Property, plant and equipment	12	334,798	349,071
Right-of-use assets	12	468,069	423,864
Intangible assets		1,603	1,506
Interests in associates	13	41,889	43,110
Interest in a joint venture		8,014	7,820
Rental deposits		65,118	60,752
Goodwill		1,362	1,355
Deferred tax assets		42,553	38,982
Term deposits with banks	17	16,180	–
Financial assets at fair value through profit or loss (“FVTPL”)	14	113,463	125,867
		<b>2,066,322</b>	2,059,582
<b>Current Assets</b>			
Inventories		73,928	76,247
Trade and other receivables	15	173,348	177,852
Taxation recoverable		323	28
Restricted bank deposits	17	6,763	15,136
Financial assets at FVTPL		–	25,031
Bank balances and cash	17	1,665,650	1,607,635
		<b>1,920,012</b>	1,901,929
<b>Current Liabilities</b>			
Trade and other payables	18	214,276	249,488
Lease liabilities		193,180	168,231
Contract liabilities		1,456	1,439
Amounts due to related companies	19	1,893	1,819
Amounts due to directors	19	145	604
Amounts due to non-controlling interests	19	13,546	13,543
Amounts due to associates	19	2,263	2,247
Amount due to a joint venture	19	333	350
Dividend payable		87,323	–
Taxation payable		17,763	24,234
Bank borrowings	20	5,248	5,247
		<b>537,426</b>	467,202
<b>Net Current Assets</b>		<b>1,382,586</b>	1,434,727
<b>Total Assets less Current Liabilities</b>		<b>3,448,908</b>	3,494,309

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	Notes	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
<b>Non-current Liabilities</b>			
Bank borrowings	20	30,704	32,237
Lease liabilities		295,938	234,074
Deferred tax liabilities		154,057	167,945
Financial liabilities at FVTPL		–	2,127
		<b>480,699</b>	436,383
<b>Net Assets</b>			
		<b>2,968,209</b>	3,057,926
<b>Capital and Reserves</b>			
Share capital	21	108,404	108,404
Reserves		2,801,251	2,891,987
Equity attributable to owners of the Company			
		<b>2,909,655</b>	3,000,391
Non-controlling interests			
		<b>58,554</b>	57,535
<b>Total Equity</b>			
		<b>2,968,209</b>	3,057,926



# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Share capital	Share premium	Special reserve	Share	Capital reserve	Properties	Translation reserve	Statutory			Subtotal	Non-	Total
				options reserve		revaluation reserve		Surplus Reserve fund	Other reserve	Retained profits		controlling interests	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024 (audited)	108,404	1,545,754	(234,729)	7,414	1,159	173,305	(161,707)	160,285	(10,005)	1,410,511	3,000,391	57,535	3,057,926
(Loss) profit for the period	-	-	-	-	-	-	-	-	-	(7,157)	(7,157)	2,896	(4,261)
Other comprehensive income (expense) for the period	-	-	-	-	-	-	3,196	-	-	-	3,196	(1,877)	1,319
Total comprehensive income (expense) for the period	-	-	-	-	-	-	3,196	-	-	(7,157)	(3,961)	1,019	(2,942)
Dividends recognised as distribution (Note 10)	-	(87,323)	-	-	-	-	-	-	-	-	(87,323)	-	(87,323)
Recognition of share-based payment	-	-	-	548	-	-	-	-	-	-	548	-	548
Transfer on forfeiture of share options	-	-	-	(105)	-	-	-	-	-	105	-	-	-
At 30 June 2024 (unaudited)	108,404	1,458,431	(234,729)	7,857	1,159	173,305	(158,511)	160,285	(10,005)	1,403,459	2,909,655	58,554	2,968,209
At 1 January 2023 (audited)	108,404	1,611,247	(234,729)	8,944	1,159	173,305	(169,959)	160,285	(10,005)	1,226,064	2,874,715	46,597	2,921,312
Profit for the period	-	-	-	-	-	-	-	-	-	133,095	133,095	6,501	139,596
Other comprehensive income for the period	-	-	-	-	-	-	23,060	-	-	-	23,060	2,905	25,965
Total comprehensive income for the period	-	-	-	-	-	-	23,060	-	-	133,095	156,155	9,406	165,561
Dividends recognised as distribution (Note 10)	-	(65,493)	-	-	-	-	-	-	-	-	(65,493)	-	(65,493)
Recognition of share-based payment	-	-	-	950	-	-	-	-	-	-	950	-	950
Transfer on forfeiture of share options	-	-	-	(931)	-	-	-	-	-	931	-	-	-
At 30 June 2023 (unaudited)	108,404	1,545,754	(234,729)	8,963	1,159	173,305	(146,899)	160,285	(10,005)	1,360,090	2,966,327	56,003	3,022,330

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Net cash generated from operating activities	<b>191,809</b>	276,892
Investing activities		
Interest received	<b>9,700</b>	14,700
Payments for acquisition of financial assets at FVTPL	<b>(45,000)</b>	(20,000)
Proceeds from disposal of financial assets at FVTPL	<b>70,031</b>	–
Payments for rental deposits	<b>(7,063)</b>	–
Refund of rental deposits	–	3,969
Payments for purchases of property, plant and equipment, and right-of-use assets	<b>(47,554)</b>	(28,034)
Proceeds from disposal of property, plant and equipment	<b>15</b>	251
Placement of bank deposits with original maturity over three months	<b>(443,418)</b>	–
Withdrawal of bank deposits with original maturity over three months	<b>100,923</b>	–
Withdrawal of restricted bank deposits	<b>8,373</b>	–
Placement of restricted bank deposits	–	(3,915)
Net cash used in investing activities	<b>(353,993)</b>	(33,029)
Financing activities		
Repayment of bank borrowings	<b>(1,792)</b>	(1,722)
Repayment of lease liabilities	<b>(112,636)</b>	(142,239)
Interest paid	<b>(534)</b>	(523)
Repayment to a joint venture	<b>(17)</b>	(289)
Advance from related companies	<b>60</b>	–
Repayment to directors	<b>(461)</b>	(327)
Net cash used in financing activities	<b>(115,380)</b>	(145,100)
Net (decrease) increase in cash and cash equivalents	<b>(277,564)</b>	98,763
Cash and cash equivalents at beginning of the period	<b>1,135,414</b>	1,465,111
Effect of foreign exchange rate changes	<b>(514)</b>	14,376
Total cash and cash equivalents at end of the period	<b>857,336</b>	1,578,250

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 1. 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 D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

## 2. Principal 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.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2023.

### Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on 1 January 2024 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs 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.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 3. Revenue from Contracts with Customers

Disaggregation of revenue from contracts with customers

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Operation of restaurants	792,194	842,594
Manufacture and sales of noodles and related products	34,596	42,253
	826,790	884,847
<b>Timing of revenue recognition</b>		
A point in time	826,790	884,847

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 4. 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 2024 (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	698,616	93,578	792,194	34,596	–	826,790	–	826,790
– inter-segment sales	–	–	–	287,505	–	287,505	(287,505)	–
	698,616	93,578	792,194	322,101	–	1,114,295	(287,505)	826,790
Segment profit (loss)	5,238	(254)	4,984	292	(17,905)	(12,629)	–	(12,629)
Interest income								15,462
Central administrative expenses								(17,867)
Unallocated finance costs								(532)
Loss before taxation								(15,566)
Income tax credit								11,305
Loss for the period								(4,261)



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 4. Operating Segments (Continued)

Six months ended 30 June 2023 (unaudited)

	Operation of restaurants			Manufacture and sales of noodles and related products RMB'000	Investment holding RMB'000	Segment total RMB'000	Elimination RMB'000	Total RMB'000
	Mainland China RMB'000	Hong Kong RMB'000	Total RMB'000					
Revenue								
– external sales	741,853	100,741	842,594	42,253	–	884,847	–	884,847
– inter-segment sales	–	–	–	300,376	–	300,376	(300,376)	–
	741,853	100,741	842,594	342,629	–	1,185,223	(300,376)	884,847
Segment profit	96,501	531	97,032	419	86,950	184,401	–	184,401
Interest income								15,019
Central administrative expenses								(17,641)
Unallocated finance costs								(523)
Profit before taxation								181,256
Income tax expense								(41,660)
Profit for the period								139,596

Segment (loss) profit represents the profit/loss earned/incurred by each segment without allocation of interest income, central administrative expenses, certain finance costs and income tax (credit) 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.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 4. Operating Segments (Continued)

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		Non-current assets	
	Six months ended 30 June		31 December 2023	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Mainland China	728,813	781,701	1,350,789	1,343,385
Hong Kong	97,977	103,146	476,855	489,243
	<b>826,790</b>	884,847	<b>1,827,644</b>	1,832,628

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.

## 5. Other Income

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Royalty income from sub-franchisees	2,736	3,191
Property rental income, net of direct outgoings ( <i>note i</i> )	19,924	15,743
Bank interest income	15,462	15,019
Government grants ( <i>note ii</i> )	656	4,466
Waive of franchise commission payable to a related party ( <i>note iii</i> )	5,942	12,049
Others	1,961	4,447
	<b>46,681</b>	54,915

*Note i:* Direct outgoings during the current interim period amounted to RMB930,000 (six months ended 30 June 2023: RMB718,000).

*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.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 6. Other Gains and Losses

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Loss on disposal of property, plant and equipment	(605)	(3,149)
Fair value (loss) gain on investment properties	(36,792)	37,070
Fair value (loss) gain on financial assets at FVTPL	(12,404)	26,471
Fair value gain on financial liabilities at FVTPL	2,127	6,567
Net foreign exchange (loss) gain	(205)	1,220
Gain on termination of leases, net	157	3,072
Impairment loss recognised in respect of		
– property, plant and equipment (Note 12)	(3,391)	–
– right-of-use assets (Note 12)	(10,642)	(187)
– interests in an associate (Note 13)	–	(987)
	<b>(61,755)</b>	<b>70,077</b>

## 7. Finance Costs

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Interest on bank borrowings	532	523
Interest on lease liabilities	10,150	9,047
	<b>10,682</b>	<b>9,570</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 8. (Loss) Profit Before Tax

(Loss) profit before tax has been arrived at after charging the following items:

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Depreciation of property, plant and equipment	51,152	57,613
Depreciation of right-of-use assets	105,767	102,720
<b>Total depreciation</b>	<b>156,919</b>	160,333
Fuel and utility expenses	42,987	36,652
Property rentals in respect of		
– Variable lease payment	9,873	13,131
– Short-term lease payment	8,332	1,300

## 9. Income Tax (Credit) Expense

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Hong Kong Profits Tax		
– current period	1,378	2,283
Mainland China Enterprise Income Tax (“EIT”)		
– current period	4,654	6,684
– under (over) provision in prior periods	123	(17)
Deferred taxation	4,777 <b>(17,460)</b>	6,667 32,710
	<b>(11,305)</b>	41,660

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 9. Income Tax (Credit) Expense (Continued)

The income tax expense in Hong Kong and Mainland China is recognised based on management's best estimate of the annual income tax rate enacted for the full financial year. During the current period, the tax rates for Hong Kong Profits Tax and Mainland China EIT are 16.5% and 25% (six months ended 30 June 2023: 16.5% and 25%), respectively, for the period under review.

Pursuant to the relevant provincial policy, Chongqing Weiqian Food & Restaurant Management Co., Ltd. 重慶味千餐飲管理有限公司 ("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.

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

## 10. Dividends

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Dividends recognised as distribution during the period:		
Final, declared – RMB0.08 (HK8.6 cents) per share for 2023 (six months ended 30 June 2023: declared – RMB0.06 (HK6.8 cents) per share for 2022)	<b>87,323</b>	65,493



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 11. (Loss) Earnings Per Share

The calculation of the basic and diluted (loss) earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
(Loss) earnings for the purposes of basic and diluted (loss) earnings per share, being (loss) profit for the period attributable to owners of the Company	(7,157)	133,095
	Number of shares	
Number of ordinary shares for the purpose of calculating basic and diluted (loss) earnings per share	1,091,538,820	1,091,538,820

During the six months ended 30 June 2024, the computation of diluted loss per share does not assume the exercise of outstanding share options of the Company as this would result in the decrease in loss per share.

During the six months ended 30 June 2023, 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 interim period.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 12. Right-Of-Use Assets, Investment Properties and Property, Plant and Equipment

#### Right-Of-Use Assets

During the current interim period, the Group renewed and entered into certain new lease agreements for periods ranging from 1 to 6 years, which are mainly for chain restaurant operation. The Group is required to make minimum fixed payments and additional variable payments based on certain percentages of sales whenever the Group's sales achieved the prescribed amounts as specified in relevant lease agreements. On lease commencement, the Group recognised right-of-use asset of approximately RMB194,666,000 and lease liabilities of approximately RMB194,666,000.

#### Investment Properties

The fair values of the Group's investment properties as at 30 June 2024 were determined by the directors of the Company with reference to recent transaction prices of similar properties and income capitalisation approach. Based on such assessment, the directors of the Company recognised a fair value loss of approximately RMB36,792,000 of the investment properties for the current period (six months ended 30 June 2023: fair value gain of approximately RMB37,070,000).

#### Property, Plant and Equipment

During the current interim period, the Group acquired property, plant and equipment of approximately RMB40,591,000 (six months ended 30 June 2023: RMB24,943,000) for business operation of the Group.

During the current interim period, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of RMB620,000 (six months ended 30 June 2023: RMB3,400,000) for cash proceeds of RMB15,000 (six months ended 30 June 2023: RMB251,000), resulting in a loss on disposal of RMB605,000 (six months ended 30 June 2023: a loss on disposal of RMB3,149,000).

#### *Impairment assessment*

As at 30 June 2024, due to the poor performance of certain restaurants operated in mainland China and Hong Kong that indicate the relevant property, plant and equipment and right-of-use may be impaired, the Group performed impairment assessment and recognised impairment losses of RMB3,391,000 and RMB10,642,000 related to property, plant and equipment and right-of-use assets (six months ended 30 June 2023: nil and RMB187,000), respectively.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 13. Interests in Associates

	<b>30 June 2024</b>	31 December 2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Audited)
Cost of investment in associates	<b>161,341</b>	161,341
Share of post-acquisition results and other comprehensive expense	<b>(10,143)</b>	(8,911)
	<b>151,198</b>	152,430
Less: accumulated impairment loss recognised (Note)	<b>(110,673)</b>	(110,673)
Loan to an associate	<b>1,364</b>	1,353
	<b>41,889</b>	43,110

Note: The management of the Group, by reference to the valuation model formulated by the external independent qualified valuer engaged by the Group for the year ended 31 December 2023, revisited and determined the appropriate assumptions and inputs in performing impairment review for an associate of the Group. Based on the valuation, no impairment loss has been recognised during the period ended 30 June 2024 (six months ended 30 June 2023: an impairment loss of RMB987,000 has been recognised).

## 14. Financial Assets at FVTPL

	<b>30 June 2024</b>	31 December 2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Audited)
Unlisted equity investments and fund investments (Note)	<b>113,463</b>	125,867

Note: The above unlisted equity investments and fund investments represent the Group's investments in certain private entities, wealth management products 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 for the year ended 31 December 2023, revisited and determined the appropriate assumptions and inputs for fair value measurement for these unlisted equity investments and fund investments.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 15. Trade and Other Receivables

	<b>30 June 2024</b>	31 December 2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Audited)
Trade receivables		
– third parties	<b>28,932</b>	32,989
Less: allowance for credit losses	<b>(1,415)</b>	(1,879)
	<b>27,517</b>	31,110
Other receivables		
Rental and utility deposits	<b>34,279</b>	31,448
Prepaid management fee and property rental ( <i>Note</i> )	<b>17,529</b>	15,639
Advance to suppliers	<b>26,465</b>	27,535
Deductible value added tax	<b>44,000</b>	41,521
Lease receivables	<b>12,370</b>	18,376
Prepayments	<b>3,718</b>	4,625
Staff advance	<b>7,248</b>	9,400
Others	<b>10,347</b>	7,966
	<b>155,956</b>	156,510
Less: allowance for credit losses	<b>(10,125)</b>	(9,768)
	<b>145,831</b>	146,742
	<b>173,348</b>	177,852

*Note:* The prepaid property rentals are related to short-term leases.

Customers relating to manufacture and sales of noodles and related products are either having no credit period or granted up to 90 days (year ended 31 December 2023: 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 (year ended 31 December 2023: 180 days), while there is no credit period for customers relating to sales from restaurant operations.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 15. Trade and Other Receivables (Continued)

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

	<b>30 June 2024</b> <b>RMB'000</b> <b>(Unaudited)</b>	31 December 2023 RMB'000 (Audited)
0 to 30 days	<b>22,371</b>	23,165
31 to 60 days	<b>2,518</b>	1,333
61 to 90 days	<b>784</b>	5,158
91 to 180 days	<b>223</b>	261
180 to 365 days	<b>1,621</b>	1,193
	<b>27,517</b>	31,110

## 16. Impairment Assessment on Financial Assets Subject to Expected Credit Loss ("ECL") Model

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2023.

As at 30 June 2024, the impairment allowance of trade and other receivables is RMB11,540,000 (31 December 2023: RMB11,647,000). Impairment allowance was provided on trade and other receivables by the Group based on the provision matrix and individual assessment during the six months ended 30 June 2024. The directors of the Company consider that the ECL for other financial assets are insignificant to the condensed consolidated financial statements.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 17. Bank balances and cash

	<b>30 June 2024</b>	31 December 2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Audited)
Term deposits with banks	<b>953,838</b>	615,307
Restricted bank deposits	<b>6,763</b>	15,136
Cash at bank and on hand	<b>727,992</b>	992,328
<b>Bank balances and cash</b>	<b>1,688,593</b>	1,622,771
Less: Term deposits with banks over three months of maturity at acquisition		
-Current	<b>(808,314)</b>	(472,221)
-Non-current	<b>(16,180)</b>	-
Cash restricted for use	<b>(6,763)</b>	(15,136)
<b>Cash and cash equivalents</b>	<b>857,336</b>	1,135,414

Bank balances and cash include demand deposits and short-term deposits for the purpose of meeting the Group's short term cash commitments. Term deposits with banks and cash at banks carry interest at market rates ranging from 0.001% to 5.65% (31 December 2023: 0.001% to 5.65%) per annum.

## 18. Trade and Other Payables

	<b>30 June 2024</b>	31 December 2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Audited)
Trade payables		
- related parties ( <i>Note</i> )	<b>20,582</b>	32,785
- third parties	<b>57,019</b>	62,863
	<b>77,601</b>	95,648
Payroll and welfare payables	<b>34,518</b>	30,495
Rental deposits received	<b>16,122</b>	14,039
Payable for acquisition of property, plant and equipment	<b>23,873</b>	24,010
Payable for variable lease payments	<b>3,389</b>	15,541
Other taxes payable	<b>7,025</b>	7,374
Others	<b>51,748</b>	62,381
	<b>214,276</b>	249,488

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

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 18. Trade and Other Payables (Continued)

The average credit period for the purchase of goods is 60 days (year ended 31 December 2023: 60 days). The following is an analysis of trade payables by age, presented based on the invoice date.

	<b>30 June 2024</b> <b>RMB'000</b> <b>(Unaudited)</b>	31 December 2023 RMB'000 (Audited)
0 to 30 days	<b>55,940</b>	69,928
31 to 60 days	<b>14,332</b>	19,684
61 to 90 days	<b>381</b>	344
91 to 180 days	<b>–</b>	1,615
Over 180 days	<b>6,948</b>	4,077
	<b>77,601</b>	95,648

## 19. Amount(s) Due to Related Companies/Directors/Non-Controlling Interests/Associates/A Joint Venture

The amount(s) due to related companies/directors/non-controlling interests/associates/a joint venture are unsecured, non-trade related, interest-free and repayable on demand.

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

## 20. Bank Borrowings

	<b>30 June 2024</b> <b>RMB'000</b> <b>(Unaudited)</b>	31 December 2023 RMB'000 (Audited)
Secured bank borrowings with carrying amounts repayable:		
Within one year or repayable on demand	<b>5,248</b>	5,247
In more than one year but not more than two years	<b>5,355</b>	5,354
In more than two years but not more than five years	<b>16,729</b>	16,727
In more than five years	<b>8,620</b>	10,156
	<b>35,952</b>	37,484
Less: amounts shown as current liabilities	<b>(5,248)</b>	(5,247)
Amounts shown as non-current liabilities	<b>30,704</b>	32,237

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



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 20. Bank Borrowings (Continued)

The carrying amounts of the Group's bank borrowings are analysed as follows:

Denominated in	Interest rate	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
HK\$	Prime rate of the counterparty bank minus 3.25% (2023: prime rate of the counterparty bank minus 3.25%)	32,371	33,762
HK\$	Prime rate of the counterparty bank minus 2.80% (2023: prime rate of the counterparty bank minus 2.80%)	3,581	3,722
		<b>35,952</b>	<b>37,484</b>

All these bank borrowings are denominated in HK\$. As at 30 June 2024, the weighted average effective interest rate on the bank borrowings was 1.45% (31 December 2023: 1.49%).

Detail of the assets of the Group as at 30 June 2024 and 31 December 2023 that have been pledged as collateral to secure the general bank facilities of the Group are set out in note 25.

## 21. Share Capital

	Number of shares	Share capital RMB'000
Ordinary shares of HK\$0.10 each:		
<b>Authorised:</b>		
At 1 January 2023, 31 December 2023 and 30 June 2024	10,000,000,000	1,000,000
<b>Issued and fully paid:</b>		
At 1 January 2023, 31 December 2023 and 30 June 2024	1,091,538,820	108,404

All the shares issued by the Company ranked pari passu in all respects.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 22. Share Option Scheme

The Company adopted a share option scheme (the "Share Option Scheme") for its employees. The following table disclosed movements of the Company's share options under the Share Option Scheme during the six months ended 30 June 2024 and 30 June 2023.

Grant date	Exercise price HK\$	Outstanding at 1 January 2024	Granted during the period	Forfeited during the period	Outstanding at 30 June 2024
<i>Employees</i>					
8 January 2015	8.740	150,000	–	–	150,000
17 April 2015	5.900	900,000	–	–	900,000
2 July 2015	5.060	1,420,000	–	–	1,420,000
19 July 2017	4.104	500,000	–	–	500,000
1 June 2018	3.256	1,600,000	–	(200,000)	1,400,000
14 January 2019	2.214	55,000	–	–	55,000
3 June 2019	3.322	200,000	–	–	200,000
27 August 2020	1.250	700,000	–	–	700,000
8 April 2021	1.300	500,000	–	(500,000)	–
1 November 2021	1.344	25,516,000	–	(1,036,000)	24,480,000
		31,541,000	–	(1,736,000)	29,805,000
Exercisable at the end of the period		15,600,400			14,837,000
Weighted average exercise price (HK\$)		1.74			1.75

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 22. Share Option Scheme (Continued)

Grant date	Exercise price HK\$	Outstanding at 1 January 2023	Granted during the period	Forfeited during the period	Outstanding at 30 June 2023
<i>Employees</i>					
27 August 2013	8.740	530,000	–	–	530,000
8 January 2015	5.900	150,000	–	–	150,000
17 April 2015	5.060	1,400,000	–	(500,000)	900,000
2 July 2015	4.104	1,520,000	–	(100,000)	1,420,000
19 July 2017	3.504	500,000	–	–	500,000
1 June 2018	3.256	1,900,000	–	(300,000)	1,600,000
14 January 2019	2.214	55,000	–	–	55,000
3 June 2019	3.322	200,000	–	–	200,000
27 August 2020	1.250	700,000	–	–	700,000
8 April 2021	1.300	500,000	–	–	500,000
1 November 2021	1.344	27,350,000	–	(1,734,000)	25,616,000
		34,805,000	–	(2,634,000)	32,171,000
Exercisable at the end of the period		11,448,000			10,907,200
Weighted average exercise price (HK\$)		1.89			1.85

The Group recognised an expense of approximately RMB548,000 for the six months ended 30 June 2024 (six months ended 30 June 2023: RMB950,000) in relation to share options granted by the Company under the Share Option Scheme. For the six months ended 30 June 2024, the Group transferred the expense of RMB105,000 (six months ended 30 June 2023: RMB931,000), which was previously recognised to retained earnings because the share options were forfeited after the vesting date.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 23. Fair Value Measurements of Financial Instruments

### Fair value measurements and valuation processes

The board of directors of the Company has set up a valuation team to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the valuation team performs the valuation and establishes the appropriate valuation techniques and inputs to the model. The management will also engage external professional valuer when the management considers necessary and appropriate. The valuation team report the valuation findings to the board of directors of the Company regularly to explain the cause of fluctuations in the fair value of the assets and liabilities.

The fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3), based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 23. Fair Value Measurements of Financial Instruments (Continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Financial assets/ Financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	30/06/2024	31/12/2023			
	(Unaudited) RMB'000	(Audited) RMB'000			
Financial assets at FVTPL – unlisted equity investments	<b>31,683</b>	41,195	Level 3	Market approach  The key inputs include equity value of investees, risk free rate, volatility, expected option life and probability of conversion, redemption and liquidation	Equity value  Expected option life.  Probability of conversion, redemption and liquidation.
Financial assets at FVTPL – unlisted equity investments	<b>1,466</b>	4,358	Level 3	Income approach in this approach the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of the investee based on an appropriate discount rate.	Long-term revenue growth rates, taking into account management's experience and knowledge of market conditions of the specific industries ( <i>note i</i> ).  Discount rate, taking into account of weighted average cost of capital determined using a Capital Asset Pricing Model ( <i>note ii</i> ).
Financial assets at FVTPL – wealth management product ( <i>note iii</i> )	–	25,031	Level 2	Discounted cash flow  Future cash flows are estimated based on expected return.	N/A
Financial assets at FVTPL – fund investments	<b>80,314</b>	80,314	Level 2	Discounted cash flow  Future cash flows are estimated based on expected return.	N/A
Financial liabilities at FVTPL	–	2,127	Level 3	Based on the net asset values/ fair value of the underlying investments, which are determined by market approach and adjustments of related expenses.	The significant unobservable inputs are the same as the underlying investments, which are determined by market approach.

*Note i:* Any increases (decreases) in long-term revenue growth rate would result in an increase (decrease) in fair value.

*Note ii:* Any increases (decreases) in discount rate would result in a (decrease) increase in fair value.

*Note iii:* The Group had redeemed all the wealth management product during the current interim period.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 23. Fair Value Measurements of Financial Instruments (Continued)

Reconciliation of Level 3 fair value measurements of financial assets and financial liabilities

	<b>Financial assets at FVTPL</b>	<b>Financial liabilities at FVTPL</b>	<b>Total</b>
	RMB'000	RMB'000	RMB'000
At 1 January 2024 (audited)	45,553	(2,127)	43,426
(Loss) gain on fair value change	(12,404)	2,127	(10,277)
At 30 June 2024 (unaudited)	33,149	–	33,149
At 1 January 2023 (audited)	91,472	(7,074)	84,398
Transfer into Level 3	25,000	–	25,000
Transfer out of Level 3	(50,947)	–	(50,947)
Gain on fair value change	25,642	6,567	32,209
At 30 June 2023 (unaudited)	91,167	(507)	90,660

Of the total gains or losses for the period included in profit or loss, loss of RMB12,404,000 and gain of RMB2,127,000 relates to financial assets and liabilities at FVTPL held at the end of the current reporting period (six months ended 30 June 2023: gain of RMB25,642,000 and gain of RMB6,567,000), respectively. Such fair value gains or losses are included in 'other gains and losses'.

Fair value of the financial assets and liabilities that are not measured at fair value on a recurring basis

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements as at 30 June 2024 and 31 December 2023 approximate their fair values.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 24. Capital Commitments

	<b>30 June 2024</b>	31 December 2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Audited)
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of the acquisition of – property, plant and equipment	<b>8,311</b>	6,644

## 25. Pledge of Assets

	<b>30 June 2024</b>	31 December 2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Audited)
Investment properties	<b>388,517</b>	401,228
Right-of-use assets	<b>6,082</b>	6,039
Property, plant and equipment	<b>5,036</b>	5,115
	<b>399,635</b>	412,382



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 26. Related Party Transactions

- (a) During the current 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	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Shigemitsu Industry Co., Ltd., a company in which Mr. Katsuaki Shigemitsu has significant beneficial interests	Sales of noodles and related products	440	212
	Purchase of food products, materials and supplies	(13,331)	(14,418)
	Franchise commissions – for restaurant operating in Hong Kong	(184)	(149)
	– for restaurant operating in the PRC	(9,713)	(9,676)
	Technical fee paid/payable	(152)	(213)
Companies in which Mr. Poon Ka Man, Jason, a director of the Company, has controlling interests	Fees for decoration and renovation services	–	(1,059)
Ms. Poon	Interest expense on lease liabilities	(309)	(208)
Japan Foods Holdings Ltd., non-controlling shareholder of a subsidiary of the Company	Franchise commission paid/payable	(726)	(801)
Hubei Jupeng Kitchen Equipment Co., Ltd. an associate of the Company	Purchase of property, plant and equipment	(3,865)	(319)

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 26. Related Party Transactions (Continued)

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

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Short-term employee benefits	3,098	2,935
Retirement benefits scheme contributions	142	201
Share-based payments	37	85
	<b>3,277</b>	3,221

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 trend.

## 27. Event After The End of The Reporting Period

On 12 July 2024, the Company granted a total of 1,000,000 share options at an exercise price of HK\$1.010 per share with exercisable period from 12 July 2024 to 11 July 2034. The options will be vested in 5 equal tranches of 20% each, i.e. on 12 July 2025, 12 July 2026, 12 July 2027, 12 July 2028 and 12 July 2029 respectively. Further details of this transaction are set out in the Company's announcement dated 12 July 2024.

## OTHER INFORMATION

### Compliance with the Corporate Governance Code

The Company has complied with all applicable code provisions under the Corporate Governance Code (the “Code”) as set out in Appendix C1 to Listing Rules during the six months ended 30 June 2024, save and except for the deviation from the code provision C.2.1 of the Code. Under the code provision C.2.1, the roles of Chairman and Chief Executive Officer (“CEO”) 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 CEO have not been separated. Although Ms. Poon performs both the roles of Chairman and 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.

In accordance to (i) Rule 3.10(1) of the Listing Rules, the Company should appoint at least three independent non-executive Directors; (ii) Rule 3.21 of the Listing Rules that the Audit Committee must comprise a minimum of three members. With reference to the announcement published by the Company on 5 January 2024, during the period from 5 January 2024 to 5 April 2024, the Company has two independent non-executive Directors in the Board and the number of Audit Committee is less than three, since the resignation of Mr. Wang Jincheng as the independent non-executive Director.

Following the appointment of Mr. Ho Pak Chuen Brian as an independent non-executive Director with effective on 5 April 2024, the Company re-complied with (i) Rule 3.10(1) of the Listing Rules that the Board must include at least three independent non-executive Directors and (ii) Rule 3.21 of the Listing Rules that the Audit Committee must comprise a minimum of three members.

Saved as the exceptions disclosed above, the Company has complied with all code provisions of the Corporate Governance Code as set out in Appendix C1 throughout the Period.

### 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 2024, 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. 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 2024 have been reviewed by the Audit Committee.

## 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 2024. As of 30 June 2024, the Company did not hold any treasury shares.

## 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 2024, 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 by the Company 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 ordinary shares (Note 1)	Approximate % of shareholding
Ms. Poon Wai	Founder of a discretionary trust (Note 2)	480,123,041 (L)	43.99%
	Beneficial owner	38,848,347 (L)	3.56%
Mr. Poon Ka Man, Jason	Beneficial owner	2,500,000 (L)	0.23%
Ms. Ng Minna	Beneficial owner	2,788,000 (L)	0.26%
Mr. Katsuaki Shigemitsu	Beneficial owner	21,771,129 (L)	2.00%
	Interest of controlled corporation (Note 3)	10,604,251 (L)	0.97%
Mr. Jen Shek Voon	Beneficial owner	95,000 (L)	0.01%
Mr. Yew Yat On	Beneficial owner	149,000 (L)	0.01%

## OTHER INFORMATION

*Notes:*

1. The letter "L" denotes the Director's long position in such shares.
2. The 480,123,041 shares were 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.
3. The 10,604,251 shares were held by Shigemitsu Industry Co. Ltd., Mr. Katsuaki Shigemitsu, a non executive director, indirectly owns approximately 68.35% in Shigemitsu Industry through Shigemitsu Corporation Limited, a company incorporated in Japan which is wholly owned by Mr. Katsuaki Shigemitsu.

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

#### (1) Long position in the shares of Anmi Holding

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

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

#### (2) Long position in the shares of Favor Choice

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

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

Save as disclosed herein, as at 30 June 2024, none of the Directors and chief executive of the Company, or any of their spouse, or children under eighteen years of age, had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise 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 2024, 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 positions in the shares or underlying shares of the Company:

Name of shareholder	Capacity and nature of interest	Number of ordinary shares (Note 1)	Approximate % of shareholding
Favor Choice (Note 2)	Beneficial owner	480,123,041 (L)	43.99%
Anmi Holding (Note 2)	Interest of controlled corporation	480,123,041 (L)	43.99%
HSBC International Trustee Limited (Note 2)	Trustee	480,123,041 (L)	43.99%

### Notes:

- The letter "L" denotes the substantial shareholder's long position in such shares. The letter "P" denotes the substantial shareholder's "lending pool" status in such shares.
- The 480,123,041 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, and 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.

Save as disclosed herein, as at 30 June 2024, the Company had 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 by the Company under section 336 of the SFO.

## Share Option Schemes

The share option scheme adopted pursuant to a resolution passed by the shareholders on 8 March 2007 (the "2007 Share Option Scheme") had expired on 7 March 2017. Details of the 2007 Share Option Scheme are set out in the Prospectus. In light of the expiry of the 2007 Share Option Scheme and in order to enable the Board to continue providing incentives and rewards to the eligible persons, a new share option scheme was adopted by the shareholders at the extraordinary general meeting of the Company held on 13 July 2017 (the "2017 Share Option Scheme").

## OTHER INFORMATION

### Purpose of the Schemes

#### *2007 Share Option Scheme*

The purpose of the 2007 Share Option Scheme is to enable the Company to grant options to the eligible participants in recognition of their contribution made or to be made to the Group.

The purpose of the 2017 Share Option Scheme is to enable the Company to grant options to the eligible participants in recognition of their contribution made or to be made to the Group. Under the 2017 Share Option Scheme, the Board may grant options 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.

### Participants of the Schemes

Under both of the 2007 Share Option Scheme and 2017 Share Option Scheme, the Board may, at its absolute discretion, grant options to any eligible participants, including:

- (i) any non-executive Director or proposed non-executive Director (including an independent non-executive Director) of the Company, any of its subsidiaries or any entity in which any member of the Group holds any equity interest;
- (ii) any adviser (professional or otherwise), consultant, individual or entity who in the opinion of the Board has contributed or will contribute to the growth and development of the Group; or
- (iii) any employee (whether full time or part time, including any executive Director but excluding any non-executive Director) of the Company, any subsidiaries or any entity in which any member of the Group holds any equity.

The 2007 Share Option Scheme was valid and effective for a period of ten years ending on 7 March 2017, after which no further options shall be issued. With effective from 1 January 2023, the eligible participants of the 2017 Share Option Scheme were subjected and restricted to the eligible participants under the Rule 17.03A of the Listing Rules.

### Total number of shares available for issue under the Schemes and percentage of issued shares as at the date of this report

The total number of shares available for issue under the 2007 Share Option Scheme was 2,470,000 shares, representing approximately 0.23% of the shares of the Company in issue as at the date of this report.

The total number of shares available for issue under the 2017 Share Option Scheme was 12,421,000 shares, representing 1.14% of the shares of the Company in issue as at the date of this report.

The total number of shares which may be issued or transferred out of treasury upon exercise of all share options to be granted under the 2017 Share Option Scheme was 81,033,882 shares, representing 7.42% of the shares of the Company in issue as at the date of this report.



## Maximum entitlement of each participant under the Schemes

The 2007 Share Option Scheme was valid and effective for a period of ten years ending on 7 March 2017, after which no further options shall be issued.

The total number of shares issued and which may fall to be issued upon exercise of the options granted pursuant to the 2017 Share Option Scheme to an eligible participant (including exercised and outstanding options) in any twelve-month period shall not exceed 1% of the number of shares in issue unless (i) a circular is despatched to the shareholders; (ii) the shareholders approve the grant of the options in excess of the limit referred to therein in general meeting; and (iii) the relevant eligible participant and its close associates or his associates if the eligible participant is a connected person abstain from voting on the resolution. The maximum number of shares which may be issued upon exercise of all options which may be granted under the 2017 Share Option Scheme and any other share options scheme(s) or share award scheme(s), if any, shall not in aggregate exceed 10% of the total number of shares in issue as at the date of approval of the 2017 Share Option Scheme, i.e. a total of 109,153,882 shares.

## The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid

Under both of the 2007 Share Option Scheme and the 2017 Share Option Scheme, a non-refundable nominal consideration of HK\$1.00 is payable by the Grantee upon acceptance of an Offer. An Offer shall be deemed to have been accepted when the duplicate letter comprising acceptance of the Offer duly signed by the eligible participants together with the said consideration of HK\$1.00 is received by the Company.

## The basis of determining the exercise price of options granted

The subscription price in respect of options granted under both of the 2007 Share Option Scheme and the 2017 Share Option Scheme may be determined by the Board at its absolute discretion provided that it shall not be less than the higher of:

- (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and
- (ii) the average closing price of the shares as stated in the daily quotations sheets of the Stock Exchange for the five consecutive business days immediately preceding the date of grant; and
- (iii) the nominal value of the shares.

## OTHER INFORMATION

### The period within which the option may be exercised by the grantee under the share option schemes

For any particular option that issued under the 2007 Share Option Scheme, the period commencing on the expiry of 6 calendar months after the date on which the option is deemed to be granted and accepted and expiring on a date to be determined and notified by the Directors to each grantee provided that such period shall not exceed the period of 10 years from the date of the grant of a particular option but subject to the provisions for early termination thereof contained in the 2007 Share Option Scheme. The 2007 Share Option Scheme was valid and effective for a period of ten years ending on 7 March 2017, after which no further options shall be issued.

For any particular option that issued under the 2017 Share Option Scheme, the option period is determined by the Board at its absolute discretion and notified by the Board to the grantee as being the period during which the may be exercised and in any event such period shall not exceed a period of ten years commencing on the commencement date but subject to the provisions for early termination thereof contained in the 2017 Share Option Scheme.

### The vesting period of options under the share option schemes

The vesting period of options under the 2007 Share Option Scheme and the 2017 Share Option Scheme are set out in the table on page 51 of this report.

### The remaining life of the Schemes

The 2007 Share Option Scheme was valid and effective for a period of ten years ending on 7 March 2017, after which no further options shall be issued.

The 2017 Share Option Scheme will be valid and effective for a period of ten years, commencing from 13 July 2017. The remaining life of the 2017 Share Option Scheme is approximately two years and ten months.

As at 30 June 2024, the number of shares in respect of which options under the 2007 Share Option Scheme and the 2017 Share Option Scheme had been granted and remained outstanding was 2,470,000 shares and 27,335,000 shares respectively, representing approximately 0.23% and 2.50% of the shares of the Company in issue as at 30 June 2024.

## Details of the share options granted

Details of the share options granted under the 2007 Share Option Scheme and the 2017 Share Option Scheme are contained in note 22 to the consolidated financial statements, the movement during the Period and the vesting period of the options granted are as follows:

Name or category of participants	Date of grant	Number of share options movement during Period						Price of share				
		As at 1 January 2024	Granted	Exercised	Cancellation	Lapsed (Note 2)	As at 30 June 2024	Vesting period/ exercise period	Validity period of shares options	Exercise Price/ Purchase Price HK\$	Prior to the grant date of the share options	Prior to the exercise date of the share options
<b>Employee participants</b>												
	8 January 2015	150,000	-	-	-	-	150,000	Note 3	8 January 2015 to 7 January 2025	5.900	5.990	-
	17 April 2015	900,000	-	-	-	-	900,000	Note 4	17 April 2015 to 16 April 2025	5.060	4.950	-
	2 July 2015	1,420,000	-	-	-	-	1,420,000	Note 3	2 July 2015 to 1 July 2025	4.104	4.150	-
	19 July 2017	500,000	-	-	-	-	500,000	Note 3	19 July 2017 to 18 July 2027	3.504	3.470	-
	1 June 2018	1,600,000	-	-	-	(200,000)	1,400,000	Note 3	1 June 2018 to 31 May 2028	3.256	3.190	-
	14 January 2019	55,000	-	-	-	-	55,000	Note 3	14 January 2019 to 13 January 2029	2.214	2.250	-
	3 June 2019	200,000	-	-	-	-	200,000	Note 3	3 June 2019 to 2 June 2029	3.322	3.300	-
	27 August 2020	700,000	-	-	-	-	700,000	Note 3	27 August 2020 to 26 August 2030	1.250	1.250	-
	8 April 2021	500,000	-	-	-	(500,000)	-	Note 3	8 April 2021 to 7 April 2031	1.300	1.270	-
	1 November 2021	25,516,000	-	-	-	(1,036,000)	24,480,000	Note 3	1 November 2021 to 31 October 2031	1.344	1.350	-
		<u>31,541,000</u>	-	-	-	<u>(1,736,000)</u>	<u>29,805,000</u>					

Note 1: No share options were granted, exercised and cancelled during the Period.

Note 2: No share options were lapsed in accordance with the terms of the 2007 Share Options Scheme and 1,736,000 options were lapsed in accordance with the terms of the 2017 Share Option Scheme.

Note 3: Grantees may only exercise their share options in the following manner:

Maximum percentage of share options exercisable	Period for vesting of the relevant percentage of the share options
20% of the total number of share options	From the expiry of the first anniversary of the date of grant to the date immediately before the second anniversary of the date of grant
20% of the total number of share options	From the second anniversary of the date of grant to the date immediately before the third anniversary of the date of grant
20% of the total number of share options	From the third anniversary of the date of grant to the date immediately before the fourth anniversary of the date of grant
20% of the total number of share options	From the fourth anniversary of the date of grant to the date immediately before the fifth anniversary of the date of grant
20% of the total number of share options	From the fifth anniversary of the date of grant to the date immediately before the sixth anniversary of the date of grant

## OTHER INFORMATION

Note 4: Grantees may only exercise their share options in the following manner:

<b>Maximum percentage of share options exercisable</b>	<b>Period for vesting of the relevant percentage of the share options</b>
12.5% of the total number of share options	From the expiry of the first anniversary of the date of grant to the date immediately before the second anniversary of the date of grant
12.5% of the total number of share options	From the second anniversary of the date of grant to the date immediately before the third anniversary of the date of grant
12.5% of the total number of share options	From the third anniversary of the date of grant to the date immediately before the fourth anniversary of the date of grant
12.5% of the total number of share options	From the fourth anniversary of the date of grant to the date immediately before the fifth anniversary of the date of grant
12.5% of the total number of share options	From the fifth anniversary of the date of grant to the date immediately before the sixth anniversary of the date of grant
12.5% of the total number of share options	From the sixth anniversary of the date of grant to the date immediately before the seventh anniversary of the date of grant
12.5% of the total number of share options	From the seventh anniversary of the date of grant to the date immediately before the eighth anniversary of the date of grant
12.5% of the total number of share options	From the eighth anniversary of the date of grant to the date immediately before the ninth anniversary of the date of grant

Note 5: As at January 1, 2024 and June 30, 2024, share options to subscribe for a total of 80,082,882 and 81,818,882 Shares, respectively, were available for grant under the 2017 Share Option Scheme Limit.

## Employee's Remuneration and Policy

As at 30 June 2024, the Group employed 7,790 persons (30 June 2023: 7,746 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 2024 was approximately RMB224,511,000 (30 June 2023: approximately RMB227,664,000).

## Change in Information of Directors

Saved as disclosed in this report, the Directors confirm that no other information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## Dividend

The Board resolved not to declare the payment of an interim dividend for the six months ended 30 June 2024 (30 June 2023: nil).

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

Hong Kong, 26 August 2024



J A P A N    C H I N A  
U    S    A    M A L A Y S I A  
A U S T R A L I A    C A N A D A  
S I N G A P O R E    F I N L A N D  
T H A I L A N D    I T A L Y  
P H I L I P P I N E S    N E W Z E A L A N D

“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。