AJISEN RAMEN
味千拉麵

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

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 538)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

2024 ANNUAL RESULTS HIGHLIGHTS

	For the year ended 31 December		
	2024	2023	**Decrease**
	(RMB'000)	*(RMB'000)*	%
Turnover	**1,717,290**	1,815,406	-5.4%
Sales from restaurant operation	**1,649,827**	1,734,200	-4.9%
Gross profit	**1,313,652**	1,373,330	-4.3%
Profit from operation	**14,915**	126,842	-88.2%
(Loss) profit before tax	**(50,132)**	247,875	N/A
(Loss) profit attributable to owners of the Company	**(20,224)**	181,188	N/A
Basic (loss) earnings per share (RMB)	**(0.02)**	0.17	N/A
Recommended final dividend per share (RMB)	**0.06**	0.08	
	(HK$6.4 cents)	(HK$8.6 cents)	
Total number of restaurants (as at 31 December)	**596**	562	

ANNUAL RESULTS

The board (the "Board") of directors (the "Directors") of Ajisen (China) Holdings Limited (the "Company" or "Ajisen") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2024 together with the comparative figures for the year ended 31 December 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	NOTES	2024 RMB'000	2023 RMB'000
Revenue	3	**1,717,290**	1,815,406
Cost of inventories consumed		**(403,638)**	(442,076)
Staff costs	7	**(479,456)**	(475,830)
Depreciation	7	**(321,488)**	(316,692)
Other operating expenses		**(497,793)**	(453,966)
Profit from operation		**14,915**	126,842
Other income	4	**88,981**	109,842
Impairment losses under expected credit loss model, net of reversal		**242**	(1,452)
Impairment loss recognised in respect of			
– property, plant and equipment		**(3,034)**	(961)
– right-of-use assets		**(11,527)**	(2,625)
– interests in associates	11	**(6,429)**	(987)
Other gains and losses	5	**(110,510)**	37,236
Share of loss of associates		**(949)**	(1,901)
Share of gain of a joint venture		**772**	1,059
Finance costs	6	**(22,593)**	(19,178)
(Loss) profit before tax		**(50,132)**	247,875
Income tax credit (expense)	8	**34,891**	(55,348)
(Loss) profit for the year		**(15,241)**	192,527
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**15,653**	7,851
Other comprehensive income for the year, net of income tax		**15,653**	7,851
Total comprehensive income for the year		**412**	200,378

	NOTE	**2024**	2023
		RMB'000	*RMB'000*
(Loss) profit for the year attributable to:			
Owners of the Company		**(20,224)**	181,188
Non-controlling interests		**4,983**	11,339
		(15,241)	192,527
Total comprehensive (expense) income attributable to:			
Owners of the Company		**(2,845)**	189,440
Non-controlling interests		**3,257**	10,938
		412	200,378

		2024	2023
		RMB	*RMB*
(Loss) earnings per share	*10*		
– Basic		**(0.02)**	0.17
– Diluted		**(0.02)**	0.17

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	NOTES	**2024**	2023
		RMB'000	*RMB'000*
Non-current assets			
Investment properties		**816,634**	1,007,255
Property, plant and equipment		**437,090**	349,071
Right-of-use assets		**566,180**	423,864
Goodwill		**1,375**	1,355
Intangible assets		**1,808**	1,506
Interests in associates	*11*	**35,763**	43,110
Interest in a joint venture		**8,593**	7,820
Rental deposits		**67,459**	60,752
Deferred tax assets		**34,920**	38,982
Term deposits with banks		**26,180**	–
Financial assets at fair value through profit or loss ("FVTPL")	*12*	**115,535**	125,867
		2,111,537	2,059,582
Current assets			
Inventories		**76,625**	76,247
Trade and other receivables	*13*	**158,817**	177,852
Taxation recoverable		**550**	28
Restricted bank deposits		**113**	15,136
Financial assets at FVTPL	*12*	**10,000**	25,031
Bank balances and cash		**1,629,653**	1,607,635
		1,875,758	1,901,929
Current liabilities			
Trade and other payables	*14*	**251,204**	249,488
Lease liabilities		**211,607**	168,231
Contract liabilities		**1,005**	1,439
Amounts due to related companies		**4,100**	1,819
Amounts due to directors		**1,111**	604
Amounts due to non-controlling interests		**13,551**	13,543
Amount due to an associate		**2,296**	2,247
Amount due to a joint venture		**323**	350
Taxation payable		**18,183**	24,234
Bank borrowings		**5,287**	5,247
		508,667	467,202
Net current assets		**1,367,091**	1,434,727
Total assets less current liabilities		**3,478,628**	3,494,309

	NOTE	**2024** *RMB'000*	2023 *RMB'000*
Non-current liabilities			
Lease liabilities		**365,029**	234,074
Bank borrowings		**29,322**	32,237
Deferred tax liabilities		**116,810**	167,945
Financial liabilities at FVTPL	*12*	**–**	2,127
		511,161	436,383
Net assets		**2,967,467**	3,057,926
Capital and reserves			
Share capital		**108,404**	108,404
Reserves		**2,802,867**	2,891,987
Equity attributable to owners of the Company		**2,911,271**	3,000,391
Non-controlling interests		**56,196**	57,535
Total equity		**2,967,467**	3,057,926

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. GENERAL INFORMATION

Ajisen (China) Holdings Limited (the "Company") was incorporated and registered as an exempted company with limited liability on 6 April 2006 under the Companies Law of the Cayman Islands and acts as an investment holding company. Its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 30 March 2007.

Its immediate holding company is Favor Choice Group Limited, a British Virgin Islands incorporated entity, which is wholly-owned by Anmi Holding Company Limited. Anmi Holding Company Limited is incorporated in the British Virgin Islands and is wholly-owned by Anmi Trust, which is controlled by Ms. Poon Wai ("Ms.Poon"), the Chairwoman and Managing Director of the Company.

The principal activities of the Company and its subsidiaries (the "Group") are operation of restaurants, manufacture and sales of noodles and related products, and investment holding. The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company and its Mainland China operating subsidiaries. The functional currency of Hong Kong operating subsidiaries is Hong Kong dollars ("HK$").

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND AGENDA DECISIONS OF THE HKFRS INTERPRETATIONS COMMITTEE (THE "COMMITTEE")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the 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 and the Committee's agenda decision in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRSs	Annual Improvements to HKFRS Accounting Standards – Volume 11[3]
Amendments to HKAS 21	Lack of Exchangeability[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]

1 Effective for annual periods beginning on or after a date to be determined
2 Effective for annual periods beginning on or after 1 January 2025
3 Effective for annual periods beginning on or after 1 January 2026
4 Effective for annual periods beginning on or after 1 January 2027

Except for the new HKFRSs mentioned below, the directors of the Company anticipate that the application of all the new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. OPERATING SEGMENTS

Information reported to Ms. Poon, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance, is analysed based on operating divisions and geographical locations. The Group is organised and specifically focuses on three operating divisions: operation of restaurants, manufacture and sales of noodles and related products, and investment holding. No operating segments have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable segments under HKFRS 8 *Operating Segments* are as follows:

Operation of restaurants	– operation of restaurants in Mainland China – operation of restaurants in Hong Kong
Manufacture and sales of noodles and related products	– manufacture and sales of noodles and related products in Mainland China and Hong Kong
Investment holding	– investments in properties, unlisted equity instruments and fund investments, and investments in associates and joint venture

Information regarding these segments is presented below.

Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments:

For the year ended 31 December 2024

	Operation of restaurants			Manufacture and sales of noodles		Total		
	Mainland China	Hong Kong	Total	and related products	Investment holding	reportable segments	Eliminations	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
SEGMENT REVENUE								
– External sales	1,452,891	196,936	1,649,827	67,463	–	1,717,290	–	1,717,290
– Inter-segment sales	–	–	–	619,163	–	619,163	(619,163)	–
	1,452,891	196,936	1,649,827	686,626	–	2,336,453	(619,163)	1,717,290
Segment profit (loss)	13,396	2,388	15,784	2,947	(60,482)*	(41,751)	–	(41,751)
Interest income								31,112
Unallocated administrative expenses								(38,484)
Unallocated finance costs								(1,009)
Loss before tax								(50,132)
Income tax credit								34,891
Loss for the year								(15,241)

For the year ended 31 December 2023

	Operation of restaurants			Manufacture and sales of noodles and related products	Investment holding	Total reportable segments	Eliminations	Total
	Mainland China	Hong Kong	Total					
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
SEGMENT REVENUE								
– External sales	1,534,269	199,931	1,734,200	81,206	–	1,815,406	–	1,815,406
– Inter-segment sales	–	–	–	620,941	–	620,941	(620,941)	–
	1,534,269	199,931	1,734,200	702,147	–	2,436,347	(620,941)	1,815,406
Segment profit	180,332	8,712	189,044	2,310	58,378*	249,732	–	249,732
Interest income								31,425
Unallocated administrative expenses								(32,200)
Unallocated finance costs								(1,082)
Profit before tax								247,875
Income tax expense								(55,348)
Profit for the year								192,527

* Segment (loss) profit in investment holding segment included share of loss of associates and joint venture totalling RMB177,000 (2023: RMB842,000) for the current and prior reporting periods respectively.

Other information

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment (loss) profit represents the loss incurred/profit earned by each segment, excluding interest income, certain administrative expenses and finance costs, and income tax credit (expense). This measure is reported to the CODM, Ms. Poon, for resource allocation and performance assessment.

Inter-segment sales are conducted at prevailing market rates.

Total assets and total liabilities are not reported, as this financial information is not reviewed by the CODM when evaluating performance or allocating resources across the Group's business activities.

All of the Group's non-current assets, including investment properties, property, plant and equipment, right-of-use assets, goodwill, intangible assets, interests in associates (other than loan to an associate) and a joint venture, are located within the Group entities' regions of domicile, namely Mainland China and Hong Kong.

The following table set 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**	
	Year ended 31 December		**Year ended 31 December**	
	2024	2023	**2024**	2023
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Mainland China	**1,511,068**	1,609,482	**1,376,716**	1,343,385
Hong Kong	**206,222**	205,924	**489,343**	489,243
	1,717,290	1,815,406	**1,866,059**	1,832,628

Note: Non-current assets excluded financial assets at FVTPL, loan to an associate, rental deposits, term deposits with banks and deferred tax assets.

None of the customers accounted for 10% or more of the total revenue of the Group during the current and prior reporting periods.

4. OTHER INCOME

	2024	2023
	RMB'000	*RMB'000*
Royalty income from sub-franchisee *(note i)*	**5,420**	7,650
Gross rental income from investment properties *(note ii)*	**42,680**	41,525
Less: direct operating expenses incurred for investment properties generating rental income during the year	**(1,732)**	(1,726)
	40,948	39,799
Bank interest income	**31,112**	31,425
Waive of franchise commission payable to a related party *(note iii)*	**5,942**	12,049
Compensation received from landlord for early termination of operating leases of restaurants	**–**	379
Government grants *(note iv)*	**2,030**	10,101
Others	**3,529**	8,439
	88,981	109,842

Notes:

(i) The Group grants franchisees the right to operate restaurants under the "Ajisen" brand for fixed contract terms. Royalty income is recognised over time based on the amounts specified in the contract.

(ii) Property rental income is recognised on a straight-line basis over the lease terms. All leases for the years ended 31 December 2024 and 2023 were operating leases with fixed lease payments.

(iii) During the years ended 31 December 2024 and 2023, the franchise commission payable to Shigemitsu Industry Co., Ltd ("Shigemitsu Industry"), a related party, was waived under mutually agreed terms between the Group and Shigemitsu Industry.

(iv) In the year ended 31 December 2024, the Group recognised government grants of RMB2,030,000 (2023: RMB10,101,000), representing subsidies received from local district authorities in the Mainland China for business activities conducted by the Group. These grants had no specific conditions attached.

5. OTHER GAINS AND LOSSES

	2024	2023
	RMB'000	*RMB'000*
Fair value (loss) gain on investment properties	**(101,253)**	8,822
Loss on disposal of property, plant and equipment	**(2,293)**	(3,479)
Net gain on termination of right-of-use assets and lease liabilities	**2,177**	3,239
Fair value (loss) gain on financial assets at FVTPL	**(9,271)**	23,935
Fair value gain on financial liabilities at FVTPL	**2,127**	4,947
Net foreign exchange loss	**(1,997)**	(228)
	(110,510)	37,236

6. FINANCE COSTS

	2024	2023
	RMB'000	*RMB'000*
Interest on lease liabilities	**21,584**	18,096
Interest on bank borrowings	**1,009**	1,082
	22,593	19,178

7. (LOSS) PROFIT BEFORE TAX

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

	2024	2023
	RMB'000	*RMB'000*
Directors' remuneration	**4,782**	4,195
Salaries, wages and other benefits	**426,328**	424,247
Retirement benefits scheme contributions	**47,298**	45,659
Share-based payment	**1,048**	1,729
Total staff costs	**479,456**	475,830
Depreciation of property, plant and equipment	**104,399**	113,283
Depreciation of right-of-use assets	**217,089**	203,409
Total depreciation	**321,488**	316,692
Auditor's remuneration:		
Audit services	**3,100**	3,100

8. INCOME TAX (CREDIT) EXPENSE

	2024	2023
	RMB'000	*RMB'000*
Hong Kong Profits Tax		
– Current year	**2,749**	2,925
– Under provision in prior years	**82**	372
	2,831	3,297
Mainland China Income Tax		
– Current year	**9,227**	18,879
– Under (over) provision in prior years	**124**	(277)
	9,351	18,602
Deferred taxation (credit) expense	**(47,073)**	33,449
	(34,891)	55,348

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

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

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

9. DIVIDENDS

Dividends for ordinary shareholders of the Company recognised as distribution during the year:

	2024	2023
	RMB'000	*RMB'000*
Final, paid – RMB0.08 (HK$0.086) per share for 2023 (2023: paid – RMB0.06 (HK$0.068) per share for 2022)	**87,323**	65,493

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2024 of RMB0.06 (HK$0.064) (2023: final dividend in respect of the year ended 31 December 2023 of RMB0.08 (HK$0.086)) per ordinary share, in an aggregate amount of RMB65,492,000 (HK$69,858,000) (2023: RMB87,323,000 (HK$93,872,000)), has been proposed by the directors of the Company and is subject to approval by the shareholders in the annual general meeting.

10. (LOSS) EARNINGS PER SHARE

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

(Loss) earnings figures are calculated as follows:

	2024	2023
	RMB'000	*RMB'000*
(Loss) earnings for the purposes of basic and diluted earnings per share, being (loss) earnings for the year attributable to owners of the Company	**(20,224)**	181,188

Number of shares

	2024	2023
Weighted average 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 year ended 31 December 2024, the computation of diluted earnings per share did not assume the exercise of outstanding share options of the Company as the exercise price of the Company's outstanding options is higher than the average market price of the Company's share.

In respect of the year ended 31 December 2023, the computation of diluted earnings per share did not assume the exercise of outstanding share options of the Company as the exercise price of the Company's outstanding options is higher than the average market price of the Company's share.

11. INTERESTS IN ASSOCIATES

	2024	2023
	RMB'000	*RMB'000*
Cost of investment in associates	**161,341**	161,341
Share of post-acquisition results and other comprehensive expense, net of dividends received	**(9,860)**	(8,911)
	151,481	152,430
Less: Accumulated impairment losses recognised *(note i)*	**(117,102)**	(110,673)
Loan to an associate *(note ii)*	**1,384**	1,353
	35,763	43,110

Notes:

(i) During the year ended 31 December 2024, due to the poor performance of certain associates, the Company's directors assessed the recoverable amount of the Group's interests in these associates. The recoverable amount, determined as the higher of value in use and fair value less costs of disposal, was found to be lower than the carrying amount. As a result of the impairment assessment, the carrying amount of the interests in these associates was reduced to the extent of its estimated recoverable amount.

For interest in Shenzhen Jupeng Kitchen Equipment Co., Ltd. (深圳市巨鵬廚房設備有限公司), the recoverable amount was determined based on fair value less costs of disposal. Consequently, an impairment loss of RMB6,429,000 (2023: nil) was recognised for the year ended 31 December 2024.

Regarding the Group's interest in Guangzhou Yunnex Information Technology Co., Ltd. ("Yunnex"), the recoverable amount is determined based on fair value less costs of disposal. For the year ended 31 December 2023, an impairment loss of RMB987,000 has been recognised, resulting carrying amount of nil as at 31 December 2023.

(ii) Loan to an associate forms part of the net interests in the associate. The amount is unsecured, interest free and will not be repayable within twelve months from the end of the reporting period.

12. FINANCIAL ASSETS AND LIABILITIES AT FVTPL

Financial assets at FVTPL

	2024	2023
	RMB'000	*RMB'000*
Current assets:		
Reverse repurchase treasury bond *(note i)*	**10,000**	–
Wealth management product *(note ii)*	**–**	25,031
Non-current assets:		
Unlisted equity investments and fund investments *(note iii)*	**115,535**	125,867
	125,535	150,898

The components of unlisted equity instruments and fund investments are as follows:

	2024	2023
	RMB'000	*RMB'000*
Guangzhou Yunxi Information Technology Co., Ltd.	**–**	5,961
Anhui Jiahua Anyuan Investment Fund Partnership (Limited Partnership)	**13,254**	13,254
Guangzhou Hezhi Investment Center (Limited Partnership)	**72,281**	75,509
Jialan Jiahua (Tianjin) Venture Capital Fund Partnership (Limited Partnership)	**20,000**	20,000
Others	**10,000**	11,143
	115,535	125,867

	2024	2023
	RMB'000	*RMB'000*
Financial liabilities at FVTPL *(note ii)*	**–**	2,127

Notes:

(i) During the year ended 31 December 2024, the Group purchased reverse repurchase treasury bond issued by the PRC government with interest yield rate ranging between 0.5% and 5% per annum and maturities ranging from 1 day to 182 days.

(ii) In the year ended 31 December 2023, the Group entered into a contract with a bank to purchase wealth management product. The wealth management product is with maturity within 12 months. The expected return rates ranging from 1.32% to 1.91% per annum.

(iii) Financial assets and liabilities at FVTPL are classified as non-current as they are neither part of the working capital used in the Group's normal operating cycle nor held for trading purpose, therefore the Company's directors consider it is appropriate to classify it as non-current as of the end of the reporting period.

13. TRADE AND OTHER RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables		
– contracts with customers (third parties)	**18,115**	32,989
Less: allowance for credit losses	**(1,637)**	(1,879)
	16,478	31,110
Other receivables		
Value added tax recoverable	**46,947**	41,521
Rental and utility deposits	**36,216**	31,448
Advance to suppliers	**19,592**	27,535
Prepaid management fee and property rental *(note)*	**14,636**	15,639
Lease receivables	**11,741**	18,376
Prepayments	**6,247**	4,625
Staff advance	**5,869**	9,400
Others	**10,859**	7,966
	152,107	156,510
Less: allowance for credit losses	**(9,768)**	(9,768)
	142,339	146,742
	158,817	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 normally granted a credit period of 0 to 90 days (2023: 0 to 90 days) upon issuance of invoices, except for certain well established customers, their credit terms may up to 180 days (2023: 180 days). There is no credit period for customers relating to sales from operation of restaurants, unless when the payments are made through online electronic payment platforms, in which case the trade receivables from these online electronic payment platforms are normally settled within 30 days.

At the end of the reporting period, the aged analysis of trade receivables, net of allowance for credit losses, presented based on the invoice dates for manufacture and sales of noodles and related products, and based on transaction dates in respect of sales from operation of restaurant, is as follows:

	2024	2023
	RMB'000	*RMB'000*
0 to 30 days	**15,363**	23,165
31 to 60 days	**537**	1,333
61 to 90 days	**160**	5,158
91 to 180 days	**132**	261
180 to 365 days	**286**	1,193
	16,478	31,110

As at 31 December 2024, of the Group's trade receivables are debtors with gross carrying amount of RMB983,000 (2023: RMB1,901,000) which are past due 90 days or more as at the reporting date. These past due balances are not considered as default as the Group's management considered that these balances are mainly due from customers with good credit quality. The Group does not hold any collateral over these balances.

14. TRADE AND OTHER PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Trade payables		
– related parties *(note)*	**34,826**	32,785
– third parties	**62,566**	62,863
	97,392	95,648
Other payables		
Payroll and welfare payables	**40,201**	30,495
Rental deposits received	**19,337**	14,039
Payable for acquisition of property, plant and equipment	**27,019**	24,010
Payable for variable lease payments	**12,021**	15,541
Other taxes payable	**7,404**	7,374
Others	**47,830**	62,381
	251,204	249,488

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

The average credit period for purchase of goods is 60 days (2023: 60 days). The following is an aged analysis of trade payables, presented based on invoice dates, as of the end of the reporting period:

Aging	**2024**	2023
	RMB'000	*RMB'000*
0 to 30 days	**76,648**	69,928
31 to 60 days	**15,619**	19,684
61 to 90 days	**198**	344
91 to 180 days	**372**	1,615
Over 180 days	**4,555**	4,077
	97,392	95,648

DIVIDEND

A final dividend of RMB0.06 (HK$6.4 cents) per ordinary share (2023: a final dividend of RMB0.08 (HK$8.6 cents) per ordinary share) for the year ended 31 December 2024 has been proposed by the Board and is subject to the approval by the shareholders of the Company (the "Shareholders") at the annual general meeting ("AGM") to be held on 20 May 2025. The Company had continuously paid a final dividend to its Shareholders since the year ended 31 December 2007. The proposed final dividend is expected to be paid on or about 15 August 2025. No interim dividend were paid for the year ended 31 December 2024 and 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Review

During the year ended 31 December 2024 (the "Period"), amid a complex and severe landscape of increasing external pressures and internal challenges, China actively responded to risks and challenges by strengthening and innovating macro-control in a timely manner according to specific situation, and promptly introducing a series of macro policy "combinations" having taken effect, which significantly boosted social confidence, stimulated endogenous momentum and innovation vitality, drove overall stable economic performance with steady progress, and achieved new breakthroughs in high-quality development. According to the National Bureau of Statistics of China, during the Period, China's gross domestic product (GDP) reached RMB134,908.4 billion, representing a year-on-year increase of 5.0% (same period in 2023: 5.2%); total retail sales of consumer goods amounted to RMB48,789.5 billion, representing a year-on-year increase of 3.5%; the national per capita disposable income was RMB41,314, representing a real growth of 5.1% over the same period last year; and the consumer price index (CPI) increased by 0.2% year-on-year.

In 2024, with the deployment of a package of incremental policies by the state, all regions across the country actively launched consumption-boosting initiatives such as "culture & tourism + cuisine", night-time economy, "show + cuisine", and distribution of consumption vouchers, driving sustained growth in the catering market. According to the National Bureau of Statistics of China, during the Period, national catering revenue reached RMB5,571.8 billion, surpassing the threshold of RMB5,500 billion, and representing a year-on-year increase of 5.3%, which was 0.3 and 1.8 percentage points higher than the growth rate of GDP and total retail sales of consumer goods, respectively, demonstrating the rigid demand attributes of catering consumption and the continued momentum of consumption upgrades. The catering industry's share of total retail sales of consumer goods increased to 11.4%, serving as one of the core engines driving consumer recovery.

Despite the overall growth trend in the catering market, factors such as economic downturn, the re-impoverishment of the middle class, and diversified structural adjustments across society have led to more rational consumption behaviours with emphasis on quality-to-price ratios in 2024. Intensified market competition has triggered frequent price wars, plunging the catering industry into a predicament of severe oversupply and recurrent waves of store closures. Amid rapidly changing market conditions, chain catering enterprises accelerated digital upgrades and scaled development, and built efficient chain management and supply chain systems to unearth competitive advantages through efficiency and cost optimisation, which has driven continuous evolution in technological innovation, healthy dining, and market competition in the catering industry, and its economic contribution therefore remains firmly at the forefront of the service sector. Among which, benefiting from consumers' growing demand for convenient services, digital transformation has become the core driving force for industry development, and catering enterprises have adopted digital technologies to enhance operational efficiency and customer experience in every detail. The consumer market for quality catering has also entered a new era, and more and more quality food and beverage are actively presented to and serve the public, which attracts consumers with good products and services and reasonable prices to meet the differentiated needs of consumers.

Looking ahead to 2025, China will continue to steadfastly promote high-quality development, and implement more proactive and effective macro policies to expand domestic demand and stabilise expectations, so that the development of the catering economy is expected to ascend to new heights. However, it should also be noted that the catering market and consumption structure will be further adjusted, the industry competition will be intensifying, regularisation, high quality, sustainability, standardisation and digitalisation will be the general trend, and the catering economy will still face certain uncertainties. The Group will seize opportunities amidst industry challenges by orderly optimising store network layouts, constantly promoting digital upgrades, strengthening product innovation, and implementing cost reduction and efficiency improvements, with an aim to maintain financial health and liquidity, enhance profitability, and strive to deliver returns to Shareholders and investors.

Business Review

During the Period, the Group's turnover was approximately RMB1,717.3 million, representing a decrease of approximately 5.4% from approximately RMB1,815.4 million for the corresponding period in 2023.

Looking back on the year, although the overall consumption of the industry continued to pick up, the market environment was still full of challenges, especially the intensified competition in the catering consumption market. Against this backdrop, the Group continuously adopted prudent and practical operation strategies, focusing on improving internal efficiency and cost control to maintain stable and sustainable operations.

During the Period, the Group further promoted the optimization and upgrading of its store network, and in addition to carefully evaluating the location selection of new stores, the Group also continued to carry out renovation and upgrading of existing restaurants to enhance customer experience and brand competitiveness. As at 31 December 2024, the Group had 596 restaurants in operation. Our management team also continued to strengthen training for frontline staff, especially in terms of the management capabilities of restaurant managers and regional supervisors, to further improve the operational efficiency and customer satisfaction of our stores by enhancing the professional competence and service standards of our frontline staff.

In terms of product innovation, in addition to launching a variety of new dishes that were well received by consumers, the Group also actively expanded its retail product line, with a view to introducing retail packaged food products with strong market competitiveness to meet the diversified needs of consumers and further enhance its brand value and market penetration.

In terms of digital transformation, the Group actively promoted the construction of smart catering systems and the integrated development of online and offline channels, with a view to improving the accuracy of operational decision-making through data-driven management.

The Group always attaches great importance to food safety and quality control. Through the five major production bases in Mainland China (Shanghai, Chengdu, Tianjin, Wuhan, and Dongguan), the Group stably supplied high-quality food ingredients and semi-finished products to ensure the reliability of food safety and the stability of quality. In addition, the Group continued to strengthen global supply chain management, expanded and consolidated the network of high-quality suppliers around the world to mitigate the impact caused by fluctuations in raw material prices, and kept pursuing the maximization of cost-effectiveness.

Despite the uncertainties in the business environment, the Group will continue to closely monitor market changes, flexibly adjust our strategies and proactively seek new opportunities. We will adhere to the principle of steady development and strive to improve our overall profitability, with a view to creating long-term and sustainable returns for our shareholders.

Retail Chain Restaurants

In 2024, the Group's major business and primary source of income continued to stem from the retail chain restaurant business. During the year, the Group's restaurant business income recorded approximately RMB1,649,827,000 (2023: approximately RMB1,734,200,000), accounted for approximately 96.1% (2023: approximately 95.5%) of the Group's total revenue.

As at 31 December 2024, the Group's restaurant portfolio consisted of 596 chain restaurants, comprising the following:

	31 December 2024	31 December 2023	+/–
By provinces/cities			
Shanghai	**109**	101	+8
Beijing	**35**	31	+4
Tianjin	**2**	2	–
Guangdong (excluding Shenzhen)	**65**	61	+4
Shenzhen	**23**	21	+2
Jiangsu	**78**	68	+10
Zhejiang	**62**	58	+4
Sichuan	**13**	11	+2
Chongqing	**10**	11	-1
Fujian	**12**	12	–
Hunan	**13**	13	–
Hubei	**13**	12	+1
Liaoning	**4**	5	-1
Shandong	**34**	30	+4
Guangxi	**15**	16	-1
Guizhou	**4**	3	+1
Jiangxi	**12**	13	-1
Shaanxi	**7**	9	-2
Yunnan	**10**	10	–
Henan	**4**	5	-1
Hebei	**7**	9	-2
Anhui	**14**	12	+2
Xinjiang	**2**	2	–
Hainan	**3**	2	+1
Shanxi	**2**	3	-1
Neimenggu	**3**	3	–
Heilongjiang	**6**	9	-3
Ningxia	**1**	1	–
Jilin	**5**	6	-1

	31 December 2024	31 December 2023	+/–
Hong Kong	**26**	21	+5
Rome	**1**	1	–
Finland	**1**	1	–
Total	**596**	562	+34

	31 December 2024	31 December 2023	+/–
By geographical region			
Northern China	**95**	95	–
Eastern China	**263**	239	+24
Southern China	**156**	146	+10
Central China	**80**	80	–
Europe	**2**	2	–
Total	**596**	562	+34

Financial Review

Turnover

For the year ended 31 December 2024, the Group's turnover decreased by approximately 5.4% or approximately RMB98,116,000 to approximately RMB1,717,290,000 from approximately RMB1,815,406,000 for the corresponding period in 2023. This decline was mainly due to intense competition in the catering industry and an unfavorable economic environment, which resulted in lower foot traffic and reduced revenue.

Cost of inventories consumed

For the year ended 31 December 2024, the Group's cost of inventories decreased by approximately 8.7% or approximately RMB38,438,000 to approximately RMB403,638,000 from approximately RMB442,076,000 for the corresponding period in 2023.

During the year, the ratio of inventory costs to turnover was approximately 23.5%, representing a decrease of 0.9 percentage points from approximately 24.4% for the corresponding period in 2023, mainly due to improvements in production processes and the reduction of waste, which enhanced production efficiency.

Gross profit and gross profit margin

Driven by the above factors, the Group's gross profit for the year ended 31 December 2024 decreased by approximately 4.3% or approximately RMB59,678,000 to approximately RMB1,313,652,000 from approximately RMB1,373,330,000 for the corresponding period in 2023.

However, the Group's gross profit margin increased to 76.5%, compared to approximately 75.6% for the corresponding period in 2023.

Staff costs

For the year ended 31 December 2024, the Group's staff costs increased by approximately 0.8% or approximately RMB3,626,000 to approximately RMB479,456,000 from approximately RMB475,830,000 for the corresponding period in 2023.

Staff costs as a proportion of turnover increased by 1.7 percentage points to 27.9%, compared to approximately 26.2% for the corresponding period in 2023. The increase in the staff costs-to-turnover ratio was primarily due to the decline in revenue, which negatively impacted operating efficiency.

Depreciation

For the year ended 31 December 2024, the Group's depreciation increased by approximately 1.5% or approximately RMB4,796,000 to approximately RMB321,488,000 from approximately RMB316,692,000 for the corresponding period in 2023.

Depreciation of property, plant and equipment decreased while depreciation of right-of-use assets increased during the year.

The decrease in depreciation of property, plant, and equipment was primarily due to the Group's stringent control over renovation costs, resulting in an overall reduction in depreciation despite the increase in the number of stores. On the other hand, the increase in depreciation of right-of-use assets was mainly attributable to the rise in the number of stores during the year.

Other operating expenses

For the year ended 31 December 2024, other operating expenses increased by approximately 9.7% to approximately RMB497,793,000 from approximately RMB453,966,000 for the corresponding period in 2023.

With the increase in the number of stores, other operating expenses have also risen accordingly, particularly in consultancy fee and advertising and promotional expenses, which have seen significant growth. Facing intense competition within the industry, the Group has invested more resources during the year ended 31 December 2024 in consultancy fee and advertising and promotional expenses to enhance its brand image and competitiveness.

Set out below is the breakdown of the main operating expenses for the years ended 31 December 2024 and 2023.

	2024	2023	%
	RMB million	*RMB million*	+/–
Utilities	**91.2**	82.4	+10.7%
Store and factory management fee	**59.4**	62.4	-4.8%
Service charges for delivery platforms	**56.9**	57.6	-1.2%
Consumables & utensils	**47.8**	42.0	+13.8%
Rental expenses under short-term lease	**12.9**	29.1	-55.7%
Rental expenses under variable lease payment	**21.7**	27.2	-20.2%
Logistics expenses	**26.4**	26.4	–
Franchise expenses	**22.2**	22.2	–
Advertising and promotions	**21.0**	13.6	+54.4%
Travelling expenses	**7.0**	6.8	+2.9%
Repairment and maintenance expenses	**5.1**	5.2	-1.9%
Bank charges on credit card payment	**5.2**	4.8	+8.3%
Auditors' remuneration	**3.1**	3.1	–
Cleaning expenses	**2.5**	2.5	–
Consultancy fee	**18.3**	2.0	+815%

Other income

For the year ended 31 December 2024, the Group's other income decreased by approximately 19.0% or approximately RMB20,861,000 to approximately RMB88,981,000 from approximately RMB109,842,000 for the corresponding period in 2023.

This decrease in other income was primarily due to a reduction in government grants from local district authorities in Mainland China, as well as a decline in waived franchise commissions following the pandemic.

Other gains and losses

For the year ended 31 December 2024, the Group recognised net other losses of approximately RMB131,500,000 (2023: net other gains of approximately RMB32,663,000). The shift from net other gains to net other losses was primarily due to the fair value loss on investment properties.

The significant decline in the fair value of investment properties was primarily due to the challenging economic environment in Mainland China and Hong Kong, coupled with unfavorable property market conditions during the year. Slower economic growth, weakened investor confidence, and reduced demand in the property markets drove the drop in property valuations, resulting in a larger fair value loss being recorded.

Finance costs

For the year ended 31 December 2024, finance costs increased by approximately 17.8% or approximately RMB3,415,000 to approximately RMB22,593,000 from approximately RMB19,178,000 for the corresponding period in 2023. Interest on lease liabilities increased, while interest on borrowings decreased during the year.

The increase in interest on lease liabilities was due to the rise in the number of shops, whereas the decrease in interest on borrowings resulted from a reduction in the loan balance during the year.

(Loss) profit before tax

Being affected by the factors referred to above, the Group recorded a loss before tax of approximately RMB50,132,000 for the year ended 31 December 2024 (31 December 2023: a profit before tax of approximately RMB247,875,000).

(Loss) profit attributable to owners of the Company

Being affected by the factors referred to above, the loss attributable to owners of the Company for the year ended 31 December 2024 amounted to approximately RMB20,224,000 (31 December 2023: profit of approximately RMB181,188,000).

Investments

The Group maintained an investment portfolio, which is categorized into three types based on its accounting treatment:

Financial assets at fair value through profit or loss ("FVTPL"), interests in associates and interest in a joint venture.

The following table shows the breakdown of the major investments:

Financial assets at FVTPL, net of financial liabilities at FVTPL:

	31 December 2024	31 December 2023	Initial investment cost
	RMB'000	*RMB'000*	*RMB'000*
Hezhi	**72,281**	75,509	99,120
Jialan Jiahua Fund	**20,000**	20,000	20,000
Jiahua Anyuan Fund	**13,254**	13,254	50,000
Reverse repurchase treasury bond	**10,000**	–	10,000
Others	**10,000**	11,143	16,907
Wealth management product	**–**	25,031	25,031
Yunxi	**–**	3,834	60,000
	125,535	148,771	281,058

Financial assets at FVTPL represented the unlisted equity investments and fund investments. The Group engaged an independent qualified professional valuer to access the valuation.

Interests in associates

	31 December 2024	31 December 2023	Initial investment cost
	RMB'000	*RMB'000*	*RMB'000*
Jiangsu Hong Xuan Ecological Agriculture Company Limited	**–**	–	43,354
Yunnex Inc.	**–**	–	64,791
Others	**35,763**	43,110	53,196
	35,763	43,110	161,341

In view of the poor performance of certain associates, the carrying amount of the interests in these associates was reduced to the extent of its estimated recoverable amount accordingly.

Interest in a joint venture

	31 December 2024	31 December 2023	Initial investment cost
	RMB'000	*RMB'000*	*RMB'000*
Beijing Feicui Jinghua & Restaurant Management Co., Ltd	**8,593**	7,820	12,858

The increase in the value of joint venture mainly represented the share of post-acquisition results of the joint venture.

RISK MANAGEMENT

Liquidity and financial resources

The liquidity and financial position of the Group as at 31 December 2024 remained healthy and strong, with bank balances amounting to approximately RMB1,655,833,000 (31 December 2023: approximately RMB1,607,635,000) and a current ratio of 3.7 (31 December 2023: 4.1).

As at 31 December 2024, the Group had bank borrowings of approximately RMB34,609,000 (31 December 2023: approximately RMB37,484,000) and therefore the gearing ratio (expressed as a percentage of total borrowings over total assets) was 0.9% (31 December 2023: 0.9%).

Exposure to exchange rates

Presently, 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 31 December 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 bank balances and cash), 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 and bank balances and cash, included in the consolidated balance sheets 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 using major credit cards. The Group also makes deposits to the relevant landlords for lease of certain of the self-managed outlets. As of 31 December 2024 and 31 December 2023, all of the bank balances 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.

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

Save for those disclosed in this announcement, there were no other significant investments held, nor were there any material acquisitions or disposals of subsidiaries during the year under review. Apart from those disclosed in this announcement, there was no plan authorised by the Board for other material investments or additions of capital assets at the date of this announcement.

Contingent liabilities

As of 31 December 2024, the Group did not have any significant contingent liabilities.

Assets and liabilities

The Group's net current assets were approximately RMB1,367,091,000 and the current ratio was 3.7 as at 31 December 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

Cash generated from operations for the year ended 31 December 2024 was approximately RMB448,818,000, while the Group recorded loss before taxation for the same period was approximately RMB50,132,000. The difference was due to the non-cash items, mainly fair value movements on the investment properties and financial assets and financial liabilities at FVTPL and depreciation of property, plant and equipment and right-of use assets.

Capital expenditure

For the year ended 31 December 2024, the Group's capital expenditure was approximately RMB98,564,000 (2023: approximately RMB65,566,000). With careful site selection, the Group will gradually increase capital expenditure to expand into promising new locations and upgrade restaurant equipment and facilities, thereby improving operational efficiency, service quality, and brand competitiveness.

SUBSEQUENT EVENT

Subsequent to 31 December 2024, no material events affecting the Company and its subsidiaries have occurred.

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, if any) during the year ended 31 December 2024. As at 31 December 2024, no treasury shares were held by the Company.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the Corporate Governance Code (the "Code") as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and complied with all applicable code provisions under the Code throughout the year ended 31 December 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 Wai 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.

The Board will continue to review and monitor the corporate governance practices of the Company for the purpose of complying with the code provisions of the Code and maintaining a high standard of corporate governance of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard (the "Required Standard") of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules.

The Company has made specific enquiry to all Directors, and all Directors have confirmed that, throughout the year under review, they were in compliance with the Required Standard.

In addition, the Board has adopted written guidelines (the "Employees' Guidelines for Securities Transactions") for securities transactions by employees (the "Relevant Employees") who are likely to be in possession of inside information of the Company on no less exacting terms than the Model Code.

Having made specific enquiry to all the Relevant Employees, the Company confirmed that all the Relevant Employees have complied with the Required Standard as set out in the Employees' Guidelines for Securities Transactions throughout the year ended 31 December 2024.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu ("DTT"), to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 27 March 2025. The work performed by DTT in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by DTT on the preliminary announcement.

AUDIT COMMITTEE

The Audit Committee was set up on 8 March 2007 with its written terms of reference, which are available on the websites of the Company and the Stock Exchange. Currently, the Audit Committee comprises three independent non-executive Directors, namely, Mr. Jen Shek Voon (Chairman), Mr. Lo Peter and Mr. Ho Pak Chuen Brian.

The Audit Committee is satisfied with their review of the auditor's remuneration, the independence of the auditor, DTT, and recommended the Board to re-appoint DTT as the Company's auditor in the year 2025, which is subject to the approval of Shareholders at the forthcoming AGM.

The Company's annual results for the year ended 31 December 2024 have been reviewed by the Audit Committee, which opines that applicable accounting standards and requirements have been complied with and that adequate disclosures have been made.

This annual results announcement is based on the Company's audited consolidated financial statements for the year ended 31 December 2024 which have been agreed with DTT, the auditor of the Company.

AGM

The forthcoming AGM will be held on 20 May 2025. A notice convening the AGM will be published on the Company's website and the website of the Hong Kong Stock Exchange or dispatched to the Shareholders (if requested) in accordance with the requirements of the Listing Rules in due course.

Corporate communications will be available electronically on both the Company's website at www.ajisen.com.hk and the website of the Hong Kong Stock Exchange at www.hkexnews.hk. Actionable Corporate Communications will be sent to Shareholders individually via the email address provided by them or in printed form (if no functional email addresses are provided).

If the Shareholders want to change the means of receipt and language of corporate communications, they may send an email to ajisen.ecom@computershare.com.hk specifying their name, address and request to receive the corporate communications in printed form. Any instructions to receive future communications in printed form will remain valid for one year from the receipt date of the Shareholder's instruction.

CLOSURE OF REGISTER OF MEMBERS AND RECORD DATE FOR ATTENDING AND VOTING AT 2025 AGM

The record date for determining the eligibility of Shareholders (except for holders of treasury shares, if any) to attend and vote at the 2025 AGM is 15 May 2025. The register of members of the Company will be closed from 15 May 2025 to 20 May 2025, both days inclusive, during which period no transfer of shares will be effected. To be entitled to attend and vote at the 2025 AGM, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Branch Share Registrar (Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) for registration no later than 4:30 pm on 14 May 2025.

CLOSURE OF REGISTER OF MEMBERS AND RECORD DATE FOR PROPOSED FINAL DIVIDEND

The record date for determining the entitlement of Shareholders (except for holders of treasury shares, if any) to the proposed final dividend is 29 May 2025. The register of members of the Company will be closed from 27 May 2025 to 29 May 2025, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend payable on 15 August 2025, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Share Registrar (Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) for registration no later than 4:30 pm on 26 May 2025.

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

This results announcement is published on the Company's website (www.ajisen.com.hk) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk). The 2024 annual report of the Company containing all relevant information required under the Listing Rules will be dispatched to the Shareholders (if requested) and published on the afore-mentioned websites in due course.

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

Hong Kong, 27 March 2025

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