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)

PROFIT WARNING

This announcement is made by Ajisen (China) Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") hereby informs the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2020, it is expected that the Group will record a net loss ranging from approximately RMB60 million to RMB110 million for the year ended 31 December 2020 as compared to the profit attributable to owners of the Company of approximately RMB156,441,000 for the year ended 31 December 2019.

The Board believes that the decline in the financial performance of the Group as compared to the corresponding period in 2019 is primarily attributable to (i) the adverse impact of COVID-19 on the Group's business in China and Hong Kong and (ii) the impairment loss recognised in respect of the interest in associate, right of use assets and investment properties.

The impairment loss is mainly contributed by an investment that the Group made in 2015. Reference is made to the voluntary announcement of the Company dated 22 December 2015 relating to its investment in an agricultural company (the "**Announcement**"). Capitalised terms used herein shall have the same meanings as those defined or adopted in the Announcement, unless the context otherwise requires.

Recently, it came to the knowledge of the Company that Hong Xuan and the controlling shareholders of Hong Xuan (the "**Controlling Shareholders**") were involved in a number of court cases. In order to protect the interest of the Company's investments in Hong Xuan (the "**Investments**"), Ling Chi, an indirectly wholly-owned subsidiary of the Company incorporated in the PRC and the holder of the Investments, has exercised its right to require the Controlling Shareholders to purchase all of Ling Chi's shares in Hong Xuan pursuant to the Investment Agreement by giving a notice of redemption on the Controlling Shareholders on 23 December 2020.

As at the date of this announcement, Ling Chi has not received any response from the Controlling Shareholders or Hong Xuan. Accordingly, Ling Chi filed a claim with the Shanghai Arbitration Commission (the "**Commission**") to recover the redemption amount pursuant to the Investment Agreement. The case has been accepted by the Commission but has not yet been heard.

As Hong Xuan and the Controlling Shareholders are involved in a number of court cases and their respective payment ability is doubtful, it appears to the Board that the recoverability of the Investments would be remote and it is appropriate to recognise an impairment loss against the Investments amounting to approximately RMB61 million.

The Company is still in the process of finalizing the annual results of the Group for the year ended 31 December 2020. The information contained in this announcement is only a preliminary assessment made by the Board and the Company's management based on the unaudited consolidated management accounts of the Group for the year ended 31 December 2020, which have not been reviewed or audited by the Company's auditor or the audit committee of the Board, and are therefore subject to adjustments. The actual annual results of the Company for the year ended 31 December 2020 may be different from what is disclosed in this announcement. Shareholders and potential investors of the Company are advised to carefully read the annual results announcement of the Company for the year ended 31 December 2020, which is expected to be published by the end of March 2021 pursuant to the Listing Rules.

Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

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

Hong Kong Special Administrative Region, 26 January 2021

As at the date of this announcement, the Board comprises Ms. Poon Wai, Mr. Poon Ka Man, Jason and Ms. Minna Ng as executive directors; Mr. Katsuaki Shigemitsu as non-executive director; and Mr. Lo Peter, Mr. Jen Shek Voon and Mr. Wang Jincheng as independent non-executive directors.