NOBLE HOUSE (CHINA) HOLDINGS LIMITED
名 軒（中 國）控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8246)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2011

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of The Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the "Directors") of Noble House (China) Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

The board of directors (the "Board") of the Company is pleased to present the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2011 (the "Year") together with the comparative audited figures for the corresponding year in 2010 (the "Previous Year") as follows:

FINANCIAL HIGHLIGHTS

- The Group's revenue from continuing operations amounted to approximately RMB131.2 million for the Year which represented an increase of approximately RMB7.4 million or 6.0% as compared with the Previous Year.

- Before the recognition of approximately RMB8.9 million as one-off listing and related expenses for the Year (2010: nil), profit and total comprehensive income attributable to owners of the Company from continuing operations was approximately RMB13.3 million for the Year, an increase of approximately RMB5.7 million or 75.0%, compared to approximately RMB7.6 million for the Previous Year.

- The profit and total comprehensive income attributable to owners of the Company from continuing operations was approximately RMB4.4 million for the Year, a decrease of approximately RMB3.2 million or 42.1%, compared to approximately RMB7.6 million for the Previous Year.

- Basic earnings per share from continuing and discontinued operations for the Year amounted to RMB1.9 cents (Previous Year: RMB4.4 cents).

	Year ended 31 December 2011 *RMB (in million)*	2010 *RMB (in million)*	**Increase/ (Decrease)**
Continuing Operations			
Revenue	**131.2**	123.8	**6.0%**
Operating Profit(1)	**77.2**	69.5	**11.1%**
Profit and total comprehensive income attributable to the owners of the Company for the year			
— before listing and related expenses	**13.3**	7.6	**75.0%**
— after listing and related expenses	**4.4**	7.6	**(42.1%)**
Operating margin(2)	**58.8%**	56.1%	

Notes:

(1) The calculation of operating profit is based on the revenue minus cost of inventories consumed.

(2) The calculation of operating margin is based on revenue less cost of inventories consumed, divided by revenue and multiplied by 100%.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2011

	Notes	2011 RMB'000	2010 RMB'000
Continuing Operations			
Revenue	3	**131,233**	123,821
Other income		**1,272**	939
Other gains and losses		**135**	(473)
Cost of inventories consumed		**(54,061)**	(54,324)
Staff cost		**(23,339)**	(20,843)
Depreciation of property, plant and equipment		**(3,488)**	(3,520)
Utilities and consumables		**(3,427)**	(3,571)
Rental and related expenses		**(16,174)**	(16,019)
Advertising and marketing expenses		**(2,105)**	(4,275)
Other expenses		**(11,064)**	(8,960)
Finance cost		**—**	(47)
Listing expenses		**(8,878)**	—
Impairment loss recognised in respect of goodwill		**—**	(431)
Impairment loss recognised in respect of interest in an associate		**—**	(200)
Share of results of associates		**214**	123
Profit before tax	5	**10,318**	12,220
Income tax expense	6	**(5,442)**	(4,133)
Profit and total comprehensive income for the year from continuing operations		**4,876**	8,087
Discontinued operations			
(Loss) profit and total comprehensive (expense) income for the year from discontinued operations	7	**(335)**	1,756
Profit and total comprehensive income for the year		**4,541**	9,843

	Notes	**2011**	2010
		RMB'000	*RMB'000*
Profit and total comprehensive income for the year attributable to:			
Owners of the Company			
— Profit and total comprehensive income for the year from continuing operations		**4,375**	7,594
— (Loss) profit and total comprehensive (expense) income for the year from discontinued operations		**(335)**	1,636
Profit and total comprehensive income attributable to the owners of the Company		**4,040**	9,230
Non controlling interests			
— profit and total comprehensive income for the year from continuing operations		**501**	493
— profit and total comprehensive income for the year from discontinued operations		**—**	120
Profit and total comprehensive income for the year attributable to non-controlling interests		**501**	613
		4,541	9,843
Earnings per share (RMB), basic:	*8*		
From continuing and discontinued operations		**0.019**	0.044
From continuing operations		**0.021**	0.036

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2011

	Notes	**2011** *RMB'000*	2010 *RMB'000*
Non-current assets			
Property, plant and equipment		**6,053**	8,630
Rental deposits		**1,934**	2,147
Interest in associates		**1,496**	123
Amount due from an associate		**4,055**	—
Deposits for acquisition of property, plant and equipment		**5,000**	—
		18,538	10,900
Current assets			
Inventories		**9,269**	7,150
Trade and other receivables	*9*	**16,738**	15,674
Amounts due from directors		**—**	16,294
Amount due from an associate		**2,570**	2,153
Restricted bank balance		**16,364**	—
Bank balances and cash		**34,319**	5,938
		79,260	47,209
Current liabilities			
Trade and other payables	*10*	**27,448**	16,751
Amounts due to directors		**—**	8,382
Prepayment from customers		**19,488**	14,756
Other borrowing		**—**	6,350
Tax liabilities		**5,588**	4,432
		52,524	50,671
NET CURRENT ASSETS (LIABILITIES)		**26,736**	(3,462)
TOTAL ASSETS LESS CURRENT CURRENT LIABILITIES		**45,274**	7,438
Capital and reserves			
Share capital	*11*	**2,291**	528
Reserves		**41,970**	6,326
Equity attributable to owners of the Company		**44,261**	6,854
Non-controlling interests		**1,013**	584
		45,274	7,438

1. CORPORATE INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands. The Company's shares have been listed on the GEM of the Exchange since 30 December 2011. Its immediate holding company is Blossom Merit Limited ("Blossom Merit") (incorporated in the British Virgins Islands ("BVI")) and its ultimate controlling shareholder is Mr. Chan Tai Neng ("Mr. Chan"). The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business is No. 24 Sublane 99, Lane 635, Zhennam Road, Putuo District, Shanghai 200331, the People's Republic of China ("PRC").

The Company is an investment holding company. The Group is principally engaged in restaurant operations in the PRC.

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the Company's functional currency.

2. ADOPTION OF NEW/REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

Throughout the year, the Group has applied for the first time the following new standards, amendments and interpretations issued by the International Accounting Standards Board ("IASB"), which are relevant to and effective for the Group's financial statements for the financial period beginning on 1 January 2011:

IFRSs (Amendments)	Improvements to IFRSs 2010
IAS 24 (Revised)	Related Party Disclosures

Except as explained below, the adoption of these new/revised IFRSs has no material impact on the Group's financial statements.

IFRS 7 (Amendments) — Financial Instruments: Disclosures

As part of the Improvements to IFRSs issued in 2010, IFRS 7 has been amended to enhance the interaction between quantitative and qualitative disclosures. If the carrying amount of a financial asset best represents the maximum exposure to credit risk, the standard does not require a positive statement to this effect in the financial statements. This amended disclosure requirement has been applied retrospectively. The carrying amounts of the Group's trade receivables and bank balances represent the Group's maximum exposure to credit risk in respect of these financial assets as at 31 December 2011 and 2010. The Previous Year financial statements included a positive statement to this effect which is removed in the 2011 financial statements following the amendments. The adoption of the amendments has no impact on the Group's reported profit or loss, total comprehensive income or equity for any period presented.

IAS 24 (Revised) — Related Party Disclosures

IAS 24 (Revised) amends the definition of related party and clarifies its meaning. This may result in changes to those parties who are identified as being related parties of the reporting entity. The Group has revised its accounting policy for the identification of its related parties and has reassessed counterparties of transactions in accordance with the revised definition. The reassessment did not result in new related parties being identified. Related parties identified in prior years remain unchanged under the new accounting policy and the Group concluded that the revised definition does not have any material impact on the Group's related party disclosures in the current and previous years.

IAS 24 (Revised) also introduces simplified disclosure requirements applicable to related party transactions where the Group and the counterparty are under the common control, joint control or significant influence of a government, government agency or similar body. These new disclosures are not relevant to the Group because the Group is not a government related entity.

3. REVENUE

The Group's revenue represents the amount received and receivable for the operation of restaurants, provision of management services and sales of processed food, net of discount and sales related taxes, for the Year and the Previous Year.

Types of revenue

Continuing operations

	2011	2010
	RMB'000	*RMB'000*
Operation of restaurants	**120,328**	121,294
Management services	**2,481**	2,007
Sales of processed food	**8,424**	520
	131,233	123,821

4. SEGMENT INFORMATION

Year ended 31 December 2011

Continuing operations

	Shanghai	**Beijing**	**Qingdao**	**Segment total**	**Eliminations**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
REVENUE						
External sales	**94,652**	**27,181**	**9,400**	**131,233**	**—**	**131,233**
Inter-segment management service fee and sales of processed food	**13,088**	**—**	**—**	**13,088**	**(13,088)**	**—**
Total	**107,740**	**27,181**	**9,400**	**144,321**	**(13,088)**	**131,233**
RESULT						
Segment result	**11,885**	**7,035**	**1,809**	**20,729**		**20,729**
Unallocated corporate expenses						**(10,625)**
Share of results of associates						**214**
Profit before tax						**10,318**

Year ended 31 December 2010

Continuing operations

	Shanghai *RMB'000*	Beijing *RMB'000*	Qingdao *RMB'000*	Segment total *RMB'000*	Eliminations *RMB'000*	Total *RMB'000*
REVENUE						
External sales	90,399	23,512	9,910	123,821	—	123,821
Inter-segment management service fee and sales of processed food	4,618	—	—	4,618	(4,618)	—
Total	95,017	23,512	9,910	128,439	(4,618)	123,821
RESULT						
Segment result	8,447	3,892	1,305	13,644		13,644
Unallocated corporate expenses						(869)
Finance costs						(47)
Impairment loss recognised in respect of goodwill						(431)
Impairment loss recognised in respect of interest in an associate						(200)
Share of result of an associate						123
Profit before tax						12,220

5. PROFIT BEFORE TAX

Continuing operations

	2011 ***RMB'000***	2010 *RMB'000*
Profit before tax has been arrived at after charging:		
Directors' emoluments	**144**	144
Salaries and other allowances	**19,915**	18,321
Retirement benefit scheme contributions, excluding those of directors	**3,280**	2,378
Total staff costs	**23,339**	20,843
Auditors' remuneration	**831**	95

6. INCOME TAX EXPENSE

Continuing operations

	2011	2010
	RMB'000	*RMB'000*
Enterprise income tax in the PRC		
Current tax	**5,442**	4,133

Hong Kong

No provision for taxation has been made as the Group's income neither arises in nor derived from Hong Kong.

PRC

PRC subsidiaries located in Beijing and Shanghai except Shanghai Pudong New Area were subject to PRC Enterprise Income Tax ("EIT") at a rate of 25% for both years.

For the PRC subsidiaries which are located in Shanghai Pudong New Area, their applicable income tax rates are 24% for the year ended 31 December 2011 and 25% for the years ending 31 December 2012 onwards (2010: 22%).

The PRC subsidiary located in Qingdao is subject to EIT estimated at 3% on the revenue for both years.

7. DISCONTINUED OPERATIONS

The (loss) profit for the year from discontinued operations is analysed as follow:

	2011	2010
	RMB'000	*RMB'000*
Profit of Chengdu Noble House *(note)*	**—**	429
Gain on disposal of Chengdu Noble House	**—**	1,743
Tax expense on gain on disposal of Chengdu Noble House	**—**	(436)
(Loss) profit of Ningbo Noble House	**(335)**	20
(Loss) profit and comprehensive (expense) income for the year from discontinued operations	**(335)**	1,756
(Loss) profit and comprehensive (expense) income for the year from discontinued operations attributable to		
— Owners of the company	**(335)**	1,636
— Non-controlling interests	**—**	120
	(335)	1,756

Note: In March 2010, the Company disposed of its 51% equity interest in Chengdu Noble House, which was engaged in the operation of a restaurant in Chengdu.

The results of the Chengdu Noble House from 1 January 2010 to 31 March 2010 were as follows:

	1.1.2010 to 31.3.2010 *RMB'000*
Revenue	2,186
Cost of inventories consumed	(755)
Staff cost	(427)
Depreciation of property, plant and equipment	(99)
Utilities and consumables	(71)
Rental expenses	(206)
Advertising and marketing expenses	(42)
Other expenses	(157)
Profit before tax	429
Income tax expense	—
Profit and total comprehensive income for the year	429

Cash flows of Chengdu Noble House during the year ended 31 December 2010 were as follow:

	2010 *RMB'000*
Operating cash flows before movements in working capital	345
Net cash inflow from operating activities	1,377
Net cash inflow from investing activities	57
Net cash outflow from financing activities	(1,390)
	44

(b) In June 2011, the Company ceased the operation of a restaurant in Ningbo which was operated by Ningbo Noble House.

The results of Ningbo Noble House during the period from 1 January 2011 to 30 June 2011 and from 1 January 2010 to 31 December 2010, were as follows:

	1.1.2011 to 30.6.2011 ***RMB'000***	1.1.2010 to 31.12.2010 *RMB'000*
Revenue	**1,835**	5,654
Other income	**–**	51
Other gains and losses	**(2)**	(6)
Cost of inventories consumed	**(983)**	(3,069)
Staff cost	**(665)**	(1,126)
Depreciation of property, plant and equipment	**(33)**	(109)
Utilities and consumables	**(91)**	(292)
Rental expenses	**(159)**	(545)
Advertising and marketing expenses	**(7)**	(39)
Other expenses	**(230)**	(499)
(Loss) profit before tax	**(335)**	20
Income tax expense	**—**	—
(Loss) profit and total comprehensive (expense) income for the year	**(335)**	20

Cash flows for the years ended 31 December 2011 and 2010 from Ningbo Noble House were as follow:

	2011 ***RMB'000***	2010 *RMB'000*
Operating cash flows before movements in working capital	**(307)**	118
Net cash (outflow) inflow from operating activities	**(295)**	102
Net cash (outflow) inflow from financing activities	**(3)**	3
	(298)	105

(c) Profit for the year from discontinued operations include the following:

	2011 ***RMB'000***	2010 *RMB'000*
Salaries and other allowances	**228**	1,199
Retirement benefit scheme contributions	**437**	354
Total staff costs	**665**	1,553

8. EARNINGS PER SHARE

For continuing and discontinued operations

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	2011	2010
	RMB'000	*RMB'000*
Profit for the year attributable to owners of the Company for the purposes of basic earnings per share	**4,040**	9,230
Weighted average number of ordinary shares for the purpose of basic earnings per share	**210,575,342**	210,000,000

The weighted average number of ordinary shares for the purpose of basic earnings per share for the years ended 31 December 2011 and 2010 had been adjusted retrospectively assuming that the Reorganisation and the issue of shares upon capitalisation have been effective from 1 January 2010 and accordingly, the 210,000,000 ordinary shares of the Company which were in issue and outstanding immediately after the Reorganisation and share capitalisation were assumed to have been issued and outstanding as at 1 January 2010.

No diluted earnings per share has been presented for both years as the Company has no potential dilutive ordinary shares outstanding during both years.

From continuing operations

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

Earnings figures are calculated as follows:

	2011	2010
	RMB'000	*RMB'000*
Profit for the year attributable to owners of the Company	**4,040**	9,230
Add: loss (profit) for the year from discontinued operations	**335**	(1,636)
Profit for the purposes of basic earnings per share from continuing operations	**4,375**	7,594
Basic earnings per share from continuing operations (RMB)	**0.021**	0.036

The denominators used are the same as those detailed above.

From discontinued operations

The calculation of the basic earnings per share from discontinued operations attributable to the owners of the Company is based on the following data:

	2011	2010
	RMB'000	*RMB'000*
(Loss) profit for the year from discontinued operations	**(335)**	1,636
Basic (loss) earnings per share from discontinued operations (RMB)	**(0.0016)**	0.0078

The denominators used are the same as those detailed above.

9. TRADE AND OTHER RECEIVABLES

Generally, there was no credit period for sales from operation of restaurant, except for certain well established, corporate customers for which the credit terms are up to 90 days. The aged analysis of the Group's trade receivables based on invoice date at the end of the reporting period are as follows:

	2011	2010
	RMB'000	*RMB'000*
Trade receivables:		
0 - 30 days	**1,756**	1,961
31 - 60 days	**607**	349
61 - 90 days	**302**	319
91 - 120 days	**503**	436
121 - 150 days	**133**	23
151 - 180 days	**122**	124
	3,423	3,212
Other receivables and deposits:		
Prepayments to suppliers	**8,940**	10,676
Payment on behalf of restaurants managed or serviced by the group	**847**	534
Net consideration receivable from disposal of Chengdu Noble House	**—**	55
Other deposits	**—**	34
Advance to an independent third party *(note)*	**1,900**	—
Others	**1,730**	1,337
Less: allowance for doubtful debts	**(102)**	(174)
	13,315	12,462
	16,738	15,674

Note: The advance was unsecured, interest free and fully repaid in January 2012.

10. TRADE AND OTHER PAYABLES

The credit period for trade purchases is 30 to 60 days.

Ageing analysis of the Group's trade payables based on invoice date is as follows:

	2011	2010
	RMB'000	*RMB'000*
Trade payables:		
0 - 30 days	**2,492**	4,643
31 - 60 days	**360**	339
61 - 90 days	**155**	2,551
91 - 180 days	**368**	448
Over 180 days	**364**	835
	3,739	8,816
Other payables:		
Accruals	**2,921**	2,904
Other payables	**7,539**	5,031
Listing expenses payable	**13,249**	—
	23,709	7,935
	27,448	16,751

11. EQUITY ATTRITBUTABLE TO OWNERS OF THE COMPANY AND NON-CONTROLLING INTERESTS

	Attributable to owners of the Company						
	Share Capital	Share premium	Accumulated (loss) profits	Special reserve	Total	Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2010	528	—	(2,904)	—	(2,376)	(1,308)	(3,684)
Profit and total comprehensive income recognised for the year	—	—	9,230	—	9,230	613	9,843
Disposal of a subsidiary	—	—	—	—	—	1,429	1,429
Dividend paid to non-controlling interests	—	—	—	—	—	(150)	(150)
At 31 December 2010 and 1 January 2011	528	—	6,326	—	6,854	584	7,438
Profit and total comprehensive income recognised for the year	—	—	4,040	—	4,040	501	4,541
Exchange of shares upon Group reorganisation	(528)	—	—	528	—	—	—
Issue of shares on public floatation	573	40,664	—	—	41,237	—	41,237
Capitalisation issue	1,718	(1,718)	—	—	—	—	—
Transaction costs attributable to issue of shares	—	(7,870)	—	—	(7,870)	—	(7,870)
Dividend paid to non-controlling interests	—	—	—	—	—	(72)	(72)
At 31 December 2011	2,291	31,076	10,366	528	44,261	1,013	45,274

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Continuing Operations

The Group achieved a revenue of approximately RMB131.2 million, the Year showing an increase of approximately 6.0%, as compared to approximately RMB123.8 million for the Previous Year. Operating margin increased by approximately 2.7% from 56.1% for the Previous Year to 58.8% for the Year, which was primarily due to the upward price adjustment of our menus in the second half of 2011 and the slowdown of inflation of food costs in the PRC. Before the recognition of approximately RMB8.9 million as one-off listing and related expenses for the Year (The Previous Year: nil), profit and total comprehensive income for the Year amounted to approximately RMB13.8 million, representing an increase of approximately RMB5.7 million, or approximately 70.1%, as compared to approximately RMB8.1 million for the Previous Year. Profit and total comprehensive income for the Year, net of listing and related expenses, became RMB4.9 million approximately, showing a decline of 40%, as compared to approximately RMB8.1 million for the Previous Year. Basic earnings per share for the Year was approximately RMB2.1 cents, as compared to RMB3.6 cents for the Previous Year.

As at 31 December 2011, we owned and operated seven restaurants under the Group's own brand name "Noble House (名軒)" across different regions in the PRC, including Shanghai, Beijing, Qingdao and Chengdu, manages and operates one restaurant in Dalian, and provides restaurant management consulting services to one restaurant in Nantong. Apart from these restaurants, we operated a food plant in Shanghai ("Shanghai Food Plant"), which was primarily established to provide food production services to our restaurants. We believe the planned expansion of our restaurant network in first-tier developed cities or cities in the PRC with potential economic growth helps to promote the brand and reputation of the Group to the targeted high spending customers and facilitates the Group in capturing and stabilising market share in the high-end dining industry. In January 2012, we opened a new restaurant in Ningbo, which has a gross floor area of approximately 1,400 sq.m. and a seating capacity of approximately 200 people, and is larger and more spacious than the previous Noble House Ningbo Restaurant. The table below set forth a breakdown of the Group's revenue generated from operation of restaurants and their operating margin:

	Revenue (RMB in millions) Year ended 31 December		**Operating margin[1] Year ended 31 December**	
	2010	**2011**	2010	**2011**
Noble House Xuhui Restaurant, Shanghai (上海徐滙店)	28.1	**26.5**	53.3%	**55.9%**
Noble House Pudong Restaurant, Shanghai (上海浦東店)	25.6	**25.9**	54.4%	**58.1%**
Noble House Restaurant, Radisson Hotel, Shanghai (上海新世界店)	23.9	**24.9**	55.9%	**59.1%**
Noble House Luwan Restaurant, Shanghai (上海盧灣店)	6.6	**7.6**	53.3%	**56.4%**
Noble House Restaurant at Hotel Nikko New Century Beijing (北京店)	23.5	**26.0**	62.0%	**54.0%**
Noble House Qingdao Restaurant (青島店)	9.9	**9.4**	41.9%	**44.2%**
Noble House Qixin Restaurant, Shanghai (上海七莘店) *(discontinued)*[3]	3.2	**—**	54.4%	**N/A**
Others[2]	0.5	**—**	N/A	**N/A**
	121.3	**120.3**		

Notes:

1, The calculation of operating margin is based on revenue less cost of inventories consumed, divided by revenue, and multiplied by 100%.

2. Others represent the handling fee income on Pre-paid VIP Cards.

3. Since Noble House Qixin Restaurant, Shanghai incurred net loss after tax for the year ended 31 December 2009, it ceased and discontinued its restaurant operation in June 2010. The financial results of Noble House Qixin Restaurant were included as continuing operations.

   The Group manages its restaurant activities on a geographical basis, namely Beijing, Shanghai, Qingdao, Chengdu and Ningbo. Each of the geographical areas also represents an operating segment of the Group.

   The Group operated four restaurants in Shanghai as at the 31 December 2011. The closure of Noble House Qixin Restaurant did not lead to a cessation of a separate major line of business (operation of restaurants) nor a separate geographical area of operations (i.e. Shanghai). As such, the Directors are of the view that the cessation of the business of Noble House Qixin Restaurant in Shanghai does not constitute a discontinued operation in accordance with IFRS 5.

The table below set forth the average spending per customer per meal and number of visitors of the Group's restaurants owned and managed by us:

			Approximate total number of customers visited		**Average spending per customer per meal (RMB)**	
Restaurants	**Approximate seating capacity (seats)**	**Approximate gross floor area (sq.m.)**	Year ended 31 December 2010	**Year ended 31 December 2011**	Year ended 31 December 2010	**Year ended 31 December 2011**
Continuing restaurant operations						
Noble House Xuhui Restaurant, Shanghai (上海徐滙店)	140	978	38,447	**33,868**	732	**782**
Noble House Pudong Restaurant, Shanghai (上海浦東店)	146	800	34,820	**30,246**	735	**856**
Noble House Restaurant, Radisson Hotel, Shanghai (上海新世界店)	134	1,370	31,285	**27,677**	764	**901**
Noble House Luwan Restaurant, Shanghai (上海盧灣店)	85	781	9,805	**9,051**	676	**840**
Noble House Restaurant at Hotel Nikko New Century Beijing (北京店)	132	1,000	27,466	**26,824**	856	**970**
Noble House Qingdao Restaurant (青島店)	73	214	15,038	**13,822**	659	**680**
Discontinued restaurant operations						
Noble House Chengdu Restaurant[1] (成都店)	103	1,279	14,053	**14,916**	685	**784**
Noble House Qixin Restaurant, Shanghai[2] (上海七莘店)	220	1,398	25,388	**—**	126	**—**
Noble House Ningbo Restaurant[3] (寧波店)	84	668	9,839	**—**	575	**—**

Notes:

1. 40% of the interests in Noble House Chengdu Restaurant are currently held by the Group. During the period from April 2010 to July 2010, the entire interest in Noble House Chengdu Restaurant was held by an Independent Third Party. Prior to April 2010, 51% of the interests in Noble House Chengdu Restaurant was held by the Group.

2. Since Noble House Qixin Restaurant, Shanghai incurred net loss after tax for the year ended 31 December 2009, it ceased and discontinued its operation in June 2010.

3. Noble House Ningbo Restaurant ceased and discontinued its restaurant operation in June 2011 due to unsatisfactory profitability.

Compared to the Previous Year, revenue from operation of restaurants for the Year decreased slightly, primarily due to the closure of a restaurant in Shanghai in June 2010 and to the decrease in number of customers visited due to the absence of the World Expo 2010 Shanghai in 2011. Such effects were substantially offset by the continued growth in revenue from the Group's restaurant in Beijing and the increasing average spending per customer per meal due to the upward price adjustment of our menus in the second half of 2011.

In addition, the Group achieved a revenue generated from sales of processed goods of approximately RMB8.4 million, showing an increase of approximately RMB7.9 million, as compared to approximately RMB0.5 million for the Previous Year, primarily due to the first launch of packaged hairy crab under the Group's own brand name "Noble House (名軒)", which generated revenue of sales of RMB5.8M and the sales of hairy crab to other restaurants of RMB1.4M by the Shanghai Food Plant for the Year (Previous Year : nil).

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately RMB7.4 million, or by approximately 6.0%, from approximately RMB123.8 million for the Previous Year to approximately RMB131.2 million for the Year, which was mainly attributable to the revenue growth of processed goods including packaged hairy crab, XO sauce with crab meat and moon cake of approximately RMB7.9 million, increase in management services fee received of approximately RMB0.5 million. Such effects were partially offset by a slight decrease in revenue generated from operation of restaurants by approximately RMB1 million for the Year.

Gross profit margin

Gross profit represents the revenue less cost of inventories consumed. The gross profit margin of the Group increased from approximately 56.1% for the Previous Year to approximately 58.8% for the Year, which was primarily due to the upward price adjustment of our menus in the second half of 2011 and the slowdown of inflation of food costs in the PRC.

Other income

The Group's other income increased by approximately RMB333,000, or by approximately 35.5%, from approximately RMB939,000 for the Previous Year to approximately RMB1,272,000 for the Year. Such increase was mainly due to the increase of the government subsidies granted to the Group.

Other gains and losses

The Group recorded other gains of approximately RMB135,000 for the Year, while the Group recorded other losses of approximately RMB473,000 for the Previous Year. Such change was mainly due to reduction in the loss on disposal of property, plant and equipment and reverse of allowance for doubtful debts for the Year.

Cost of inventories consumed

The Group's cost of inventories consumed decreased by approximately RMB0.2 million, or by approximately 0.5%, from approximately RMB54.3 million for the Previous Year to approximately RMB54.1 million for the Year. Despite there was a growth in the Group's revenue, the Group has switched the inflationary cost of food ingredients to customers by adjusting the price of the Group's dishes during the period. In addition, the inflation of food costs in the PRC had slow down in the second half of for the Year.

Staff cost

The Group's staff cost increased by approximately RMB2.5 million, or by approximately 12.0%, from approximately RMB20.8 million for the Previous Year to approximately RMB23.3 million for the Year. The increase in the staff cost was primarily due to the overall increase in the level of salaries and other employee benefits of the Group. As a percentage of the Group's revenue, staff cost slightly increased from approximately 16.8% for the Previous Year to approximately 17.8% for the Year primarily as a result of the Group's headcount was increased following the expansion of the Group.

Depreciation of property, plant and equipment

Depreciation of property, plant and equipment remained stable as approximately RMB3.5 million in both years, given that there was neither significant acquisition nor disposal of equipment and fixed assets for the Year.

Utilities and consumables

Utilities and consumables decreased by approximately RMB144,000, or approximately 4.0%, from approximately RMB3,571,000 for the Previous Year to approximately RMB3,427,000 for the Year. As a percentage of revenue, utilities and consumables decreased from approximately 2.9% for the Previous Year to approximately 2.6% for the Year, primarily due to the continued implementation of the Group's measures to enhance the efficiency of utilities and consumables usage and waste reduction.

Rental expenses

Rental expenses increased by approximately RMB155,000, or approximately by 1.0%, from approximately RMB16,019,000 for the Previous Year to approximately RMB16,174,000 for the Year, which was mainly due to the renewal of rental agreements for the Year.

Advertising and marketing expenses

Advertising and marketing expenses decreased by approximately RMB2.2 million or approximately 50.8% from approximately RMB4.3 million for the Previous Year to approximately RMB2.1 million for the Year, which was mainly due to the absence of large advertising activities such as World Expo 2010 Shanghai for the Year.

Other expenses

Other expenses increased by approximately RMB2.1 million, or approximately 23.5%, from approximately RMB9.0 million for the Previous Year to approximately RMB11.1 million for the Year, primarily due to the increased audit expenses, credit card expenses and transportation expenses.

Income tax expenses

The Group's income tax expense increased by approximately RMB1.3 million, or by approximately 31.7%, from approximately RMB4.1 million for the Previous Year to approximately RMB5.4 million for the Year, as a result of the increase in taxable profit for the Year as compared to the Previous Year. The Group's effective income tax rate increased from approximately 33.8% for the Previous Year to approximately 52.7% for the Year, primarily due to the recognition of approximately RMB8.9 million of one-off non-deductible listing and related expenses in 2011.

Discontinued operations

Profit for the Previous Year from discontinued operations represented the profits generated by Chengdu Noble House and Ningbo Noble House of approximately RMB429,000 and RMB20,000 respectively, and the gain on disposal of Chengdu Noble House and the related tax expense of approximately RMB1,743,000 and RMB436,000 respectively.

Profit for the Year from discontinued operations represented the loss incurred by Ningbo Noble House of approximately RMB335,000.

Non-controlling interests

Non-controlling interests increased by approximately 1.6% from approximately RMB493,000 for the Previous Year to approximately RMB501,000 for the Year. Such increase was attributable to the increase in the aggregate amounts of profits made by the non wholly-owned subsidiaries during the Year.

Profit and total comprehensive income attributable to owners of the Company from continuing operations and net profit margin

The Group's profit and total comprehensive income attributable to owners of the Company from continuing operations decreased by approximately RMB3.2 million, or by approximately 42.1%, from approximately RMB7.6 million for the Previous Year to approximately RMB4.4 million for the Year. The net profit margin decreased from approximately 6.1% for the Previous Year to approximately 3.3% for the Year, primarily as a result of the recognition of approximately RMB8.9 million of one-off listing and related expenses for the Year (Previous Year: nil).

Prospects

The management is optimistic about the catering industry in the PRC and believes the Group will continue its growth and strengthen its position as a high end restaurant operator in the PRC.

Coping with our future development plan and targeting high end spending class customers and business customers, we plan to open our restaurants in the first-tier cities in order to enhance our brand reputation. We will also continue to upgrade the existing restaurants facilities and offer various training programmes to the staff to improve the dining environment and enhance customer satisfaction.

Liquidity and financial resources

The Group's funding and treasury activities are managed and controlled by the senior management. Historically, the Group funded its liquidity and capital requirements principally through cash inflow from operating activities, and shareholders' financing as well as other borrowings. Following the Company's IPO in December 2011, the Group funds its liquidity and capital requirements by the net proceeds from IPO as well as internal resources.

The Group maintained cash and bank balances of approximately RMB34.3 million as at 31 December 2011 (as at 31 December 2010: RMB5.9 million). As at 31 December 2011, the Group's total assets, net current assets and net assets were approximately RMB97.8 million (as at 31 December 2010: RMB58.1 million), approximately RMB26.7 million (as at 31 December 2010: net liabilities RMB3.5 million) and approximately RMB45.3 million and (as at 31 December 2010 RMB7.4 million) respectively.

The Group also monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Gearing ratio is not applicable to the Group as at 31 December 2011 as the Group did not have any borrowings as at 31 December 2011.

Foreign currency exposure

The business operations of the Group's subsidiaries were conducted mainly in the PRC with revenues and expenses of the Group's subsidiaries denominated mainly in RMB. The Group's cash and bank deposits, including net proceeds from the Company's IPO, were denominated mainly in Hong Kong dollars, with some denominated in RMB. Any significant exchange rate fluctuations of Hong Kong dollars against RMB as the functional currency may have a financial impact to the Group.

As at 31 December 2011, the Directors considered the Group's foreign exchange risk to be insignificant. During the Year, the Group did not use any financial instruments for hedging purposes.

OTHER INFORMATION

Audit Committee

The Audit Committee was established to review the Group's financial reporting, internal controls and make relevant recommendations to the Board.

The Audit Committee comprises the three independent non-executive Directors, namely Mr. Chan Chun Sing, Mr. Tse Wai Chuen, Tony and Mr. Wang Zhi Zhong. The chairman of the Audit Committee is Mr. Chan Chun Sing. The Group annual report and results announcement for the Year has been reviewed by the Audit Committee, which was of the opinion that such report and results were prepared in accordance with the applicable accounting standards and requirements. The committee also monitored the Company's progress in implementing the code provisions of corporate governance practices as required under the GEM Listing Rules.

Corporate Governance

The Code on Corporate Governance Practices (the "Corporate Governance Code") as set out in Appendix 15 of the GEM Listing Rules has only become applicable to the Company since the listing of the Company's shares on the Stock Exchange on 30 December 2011. The Company and the Board had complied with the Corporate Governance Code during the period from the Listing Date up to 31 December 2011.

Model Code For Securities Transactions By Directors of Listed Issuers ("the Model Code")

The Company had adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company also had made specific enquiries of all Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by directors from the Listing Date up to 31 December 2011.

Contingent Liabilities

As at 31 December 2011, the Group did not have any material contingent liabilities.

Employment and Remuneration of Employees

As at 31 December 2011, the Group had approximately 700 full time employees in the PRC. The Group recognises the importance of human resources to its success, therefore qualified and experienced personnel are recruited for expansion of new restaurants. Remuneration is maintained at competitive levels with discretionary bonuses payable on a merit basis and in line with industrial practice. Other staff benefits provided by the Group include mandatory provident fund, insurance schemes and performance related bonus.

Purchase, Sale or Redemption of Listed Securities

Up to 31 December 2011, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

Communication with shareholders

The Board communicates with the shareholders through the annual general meetings and special general meetings. In compliance with the requirements of GEM Listing Rules, the Company issued regular reports, announcements, circulars, notice of general meetings. Shareholders can get the latest information of the Company through these publications of the Company.

On behalf of the Board
Chan Tai Neng
Executive Director

Hong Kong, 27 March 2012

As at the date of this announcement, the Board comprises Mr. Chan Tai Neng and Mr. Cheung Chi Keung as executive Directors, Mr. Chan Chun Sing, Mr. Tse Wai Chuen, Tony and Mr. Wang Zhi Zhong as independent non executive Directors.

This announcement will remain on the GEM website at http://www.hkgem.com on the "Latest Company Announcements" page for at least seven days from the day of its posting and on the website of the Company at http://www.noblehouserestaurant.cn.