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 2012

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 2012 (the "Year") together with the comparative audited figures for the corresponding year in 2011 (the "Previous Year") as follows:

FINANCIAL HIGHLIGHTS

- The Group's revenue from continuing operations amounted to approximately RMB124.7 million for the Year which represented a decrease of approximately RMB6.5 million or 5.0% as compared with the Previous Year.
- The profit and total comprehensive income attributable to owners of the Company from continuing operations was approximately RMB4.8 million for the Year, an increase of approximately RMB0.4 million or 9.1%, compared to approximately RMB4.4 million for the Previous Year.
- The Board did not recommend any payment of dividend for the year ended 31 December 2012 (2011: Nil).
- Basic earnings per share from continuing and discontinued operations for the Year amounted to RMB1.7 cents (Previous Year: RMB1.9 cents).

	Year ended 31 December		**Increase/**
	2012	2011	**(Decrease)**
	RMB	*RMB*	
	(in million)	*(in million)*	
Continuing Operations			
Revenue	**124.7**	131.2	**(5.0)%**
Operating Profit[(1)]	**77.3**	77.2	**0.1%**
Profit and total comprehensive income attributable to the owners of the Company for the year	**4.8**	4.4	
Operating margin[(2)]	**62.0%**	58.8%	

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 2012

	NOTES	2012 RMB'000	2011 RMB'000
Continuing Operations			
Revenue	3	**124,702**	131,233
Other income		**1,576**	1,272
Other gains and losses		**53**	135
Cost of inventories consumed		**(47,421)**	(54,061)
Staff cost		**(26,949)**	(23,339)
Depreciation of property, plant and equipment		**(2,594)**	(3,488)
Utilities and consumables		**(5,374)**	(3,427)
Rental and related expenses		**(19,049)**	(16,174)
Advertising and marketing expenses		**(1,982)**	(2,105)
Other expenses		**(13,188)**	(11,064)
Listing expenses		**–**	(8,878)
Share of results of associates		**(1,292)**	214
Profit before tax	5	**8,482**	10,318
Income tax expense	6	**(3,643)**	(5,442)
Profit and total comprehensive income for the year from continuing operations		**4,839**	4,876
Discontinued operation			
Loss and total comprehensive expense for the year from discontinued operation	7	**–**	(335)
Profit and total comprehensive income for the year		**4,839**	4,541
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		**4,781**	4,375
– Loss and total comprehensive expense for the year from discontinued operation		**–**	(335)
Profit and total comprehensive income attributable to the owners of the Company		**4,781**	4,040
Non controlling interests			
– profit and total comprehensive income for the year from continuing operation		**58**	501
		4,839	4,541
Earnings per share (RMB), basic:	8		
From continuing and discontinued operations		**0.017**	0.019
From continuing operations		**0.017**	0.021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2012

	NOTES	2012 RMB'000	2011 RMB'000
Non-current assets			
Property, plant and equipment		**12,078**	6,053
Goodwill		**1,429**	–
Rental deposits		**3,045**	1,934
Interest in associates		**1,625**	1,496
Amounts due from associates		**7,673**	4,055
Deposit for acquisition of property, plant and equipment		**2,500**	5,000
		28,350	18,538
Current assets			
Inventories	*10*	**14,989**	9,269
Trade and other receivables		**12,031**	16,738
Amounts due from associates		**–**	2,570
Restricted bank balance		**–**	16,364
Short-term bank deposit		**10,000**	–
Bank balances and cash		**22,901**	34,319
		59,921	79,260
Current liabilities			
Trade and other payables	*11*	**9,846**	27,448
Prepayment from customers		**24,165**	19,488
Tax liabilities		**4,627**	5,588
		38,638	52,524
NET CURRENT ASSETS		**21,283**	26,736
TOTAL ASSETS LESS CURRENT LIABILITIES		**49,633**	45,274
Capital and reserves			
Share capital		**2,291**	2,291
Reserves		**46,751**	41,970
Equity attributable to owners of the Company		**49,042**	44,261
Non-controlling interests		**591**	1,013
		49,633	45,274

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company						
	Share Capital *RMB'000*	Share premium *RMB'000*	Retained profits *RMB'000*	Special reserve *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total *RMB'000*
At 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 offering	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 and 1 January 2012	2,291	31,076	10,366	528	44,261	1,013	45,274
Profit and total comprehensive income recognised for the year	–	–	4,781	–	4,781	58	4,839
Dividend paid to non-controlling interests	–	–	–	–	–	(480)	(480)
At 31 December 2012	2,291	31,076	15,147	528	49,042	591	49,633

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

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 Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the "Stock 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 operation of restaurants and sales of processed food and seafood in the PRC and Hong Kong.

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

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

In the current year, the Group has applied the following amendments to IFRSs issued by the International Accounting Standard Board which are effective for the financial year beginning 1 January 2012:

Amendments to IFRS 7	Financial Instruments Disclosures – Transfers of Financial Assets
Amendments to IAS 12	Deferred Tax – Recovery of Underlying Assets

The application of the amendments to IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on disclosures set out in these consolidated financial statements.

The Group has not early applied the following new or revised IFRSs that have been issued but are not yet effective:

Amendments to IFRSs	Annual Improvements to IFRSs 2009-2011 Cycle[1]
Amendments to IFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities[1]
Amendments to IFRS 9 and IFRS 7	Mandatory Effective Date of IFRS 9 and Transition Disclosures[2]
Amendments to IFRS 10, IFRS 11 and IFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[1]
Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities[3]
IFRS 9	Financial Instruments[2]
IFRS 10	Consolidated Financial Statements[1]
IFRS 11	Joint Arrangements[1]
IFRS 12	Disclosure of Interests in Other Entities[1]
IFRS 13	Fair Value Measurement[1]
IAS 19 (Revised 2011)	Employee Benefits[1]
IAS 27 (Revised 2011)	Separate Financial Statements[1]
IAS 28 (Revised 2011)	Investments in Associates and Joint Ventures[1]
Amendments to IAS 1	Presentation of Items of Other Comprehensive Income[4]
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities[3]
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine[1]

1 Effective for annual periods beginning on or after 1 January 2013
2 Effective for annual periods beginning on or after 1 January 2015
3 Effective for annual periods beginning on or after 1 January 2014
4 Effective for annual periods beginning on or after 1 July 2012

Amendments to IAS 1 Presentation of Items of Other Comprehensive Income

The amendments to IAS 1 *Presentation of Items of Other Comprehensive Income* introduce new terminology for the statement of comprehensive income. Under the amendments to IAS 1, a "statement of comprehensive income" is renamed as a "statement of profit or loss and other comprehensive income". In addition, the amendments to IAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In May 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including IFRS 10, IFRS 11, IFRS 12, IAS 27 (Revised 2011) and IAS 28 (Revised 2011).

Key requirements of these five standards are described below.

IFRS 10 replaces the parts of IAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements. SIC – 12 Consolidation Special Purpose Entities will be withdrawn upon the effective date of IFRS 10. Under IFRS 10, there is only one basis for consolidation, that is, control. In addition, IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in IFRS 10 to deal with complex scenarios.

IFRS 11 replaces IAS 31 *Interests in Joint Ventures*. IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. SIC – 13 Jointly Controlled Entities Non-monetary Contributions by Venturers will be withdrawn upon the effective date of IFRS 11. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under IAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under IFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under IAS 31 can be accounted for using the equity method of accounting or proportionate consolidation.

IFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than those in the current standards.

In June 2012, the amendments to IFRS 10, IFRS 11 and IFRS 12 were issued to clarify certain transitional guidance on the application of these five IFRSs for the first time.

These five standards, together with the amendments relating to the transitional guidance, are effective for annual periods beginning on or after 1 January 2013 with earlier application permitted provided all of these standards are applied at the same time. The directors anticipate that the application of these five standards will not have a significant impact on amounts reported in the consolidated financial statements but will need to have more extensive disclosures.

Except as disclosed above, the directors anticipate that the application of other new and revised IFRSs will have no material impact on the consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

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

Types of revenue

Continuing operations

	2012	2011
	RMB'000	*RMB'000*
Operation of restaurants	**114,318**	120,328
Sales of processed food and seafood	**9,211**	8,424
Management services	**1,173**	2,481
	124,702	131,233

The information reported to the Group's chief operating decision maker, Mr. Chan, a director of the Company and the ultimate controlling shareholder of the Group, for the purpose of resource allocation and assessment of performance is prepared according to the geographical location of restaurants and the location where the management services are provided. Processed food and seafood were sold through restaurants operated by the Group and the stores in Shanghai and Hong Kong (newly set up in the current year). Hence, the Group's reportable and operating segments based on geographical location of the restaurants and seafood stores in the PRC and Hong Kong are as set out below.

(i) Shanghai – operation of four restaurants, providing management services to restaurants owned by independent third parties and restaurants of the Group, operating a food processing plant and one seafood store,

(ii) Beijing – operation of one restaurant,

(iii) Qingdao – operation of one restaurant,

(iv) Hong Kong – operation of one seafood store.

The Group ceased its operation in Ningbo during the year ended 31 December 2011. Details are set out in note 7. Segment information for the continuing operations is presented below.

4. SEGMENT INFORMATION

Year ended 31 December 2012

Continuing operations

	Shanghai	Beijing	Qingdao	Hong Kong	Segment total	Eliminations	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
REVENUE							
External sales	**93,965**	**22,384**	**7,624**	**729**	**124,702**	**–**	**124,702**
Inter-segment management service fee and sales of processed food	**15,963**	**–**	**–**	**–**	**15,963**	**(15,963)**	**–**
Total	**109,928**	**22,384**	**7,624**	**729**	**140,665**	**(15,963)**	**124,702**
RESULT							
Segment result	**10,528**	**3,777**	**1,062**	**(770)**	**14,597**		**14,597**
Unallocated corporate expenses							**(4,823)**
Share of results of associates							**(1,292)**
Profit before tax							**8,482**

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

Other segment information

Year ended 31 December 2012

Continuing operations

	Shanghai *RMB'000*	**Beijing** *RMB'000*	**Qingdao** *RMB'000*	**Hong Kong** *RMB'000*	**Total** *RMB'000*
Amounts included in the measure of segment profit or loss:					
Allowance for doubtful debts	**44**	**–**	**–**	**–**	**44**
Depreciation of property, plant and equipment	**2,058**	**394**	**69**	**73**	**2,594**
Interest income	**(29)**	**(1)**	**–**	**(67)**	**(97)**
Imputed interest income on advances to associates	**(179)**	**–**	**–**	**–**	**(179)**
Loss on disposal of property, plant and equipment	**5**	**–**	**–**	**–**	**5**

Year ended 31 December 2011

Continuing operations

	Shanghai *RMB'000*	Beijing *RMB'000*	Qingdao *RMB'000*	Total *RMB'000*
Amounts included in the measure of segment profit or loss:				
Reversal of allowance for doubtful debts	(72)	–	–	(72)
Depreciation of property, plant and equipment	2,929	453	106	3,488
Interest income	(80)	(1)	(1)	(82)
Loss on disposal of property, plant and equipment	17	–	–	17

Segment profit represents the profit earned by each segment without allocation of the expenses incurred by the Group's head office. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and performance assessment.

Inter segment sales are charged at rates agreed between group entities.

Geographical information

The Group's operations are located in the PRC and Hong Kong. Information about the Group's revenue from continuing operations from external customers and all of its non-current assets (excluding financial assets) are presented based on the geographical locations of the revenue and assets respectively.

	Revenue from external customers Year ended		Non-current assets	
	31/12/2012	31/12/2011	**31/12/2012**	31/12/2011
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
PRC	**123,973**	131,233	**19,058**	14,483
Hong Kong	**729**	–	**1,619**	–
	124,702	131,233	**20,677**	14,483

Information about major customers

There was no revenue from a single customer contributing over 10% of total revenue of the Group.

5. PROFIT BEFORE TAX

Continuing operations

	2012	2011
	RMB'000	*RMB'000*
Profit before tax has been arrived at after charging:		
Directors' and chief executive's emoluments	**588**	144
Salaries and other allowances	**22,263**	19,915
Retirement benefit scheme contributions, excluding those of directors	**4,098**	3,280
Total staff costs	**26,949**	23,339
Auditors' remuneration	**782**	831

6. INCOME TAX EXPENSE

Continuing operations

	2012	2011
	RMB'000	*RMB'000*
Enterprise income tax in the PRC		
Current tax	**4,028**	5,442
Overprovision in prior year	**(385)**	–
	3,643	5,442

The Company was incorporated in the Cayman Islands and is exempted from income tax. It is not subject to tax in other jurisdictions.

Hong Kong

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit. No provision for Hong Kong Profits Tax has been made as the Group's subsidiaries have no assessable profit arising in or derived in Hong Kong for both years.

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 25% for the years ended 31 December 2012 onwards (2011: 24%).

The PRC subsidiary located in Qingdao is subject to EIT of a rate of 25% for 2012, and the EIT was estimated at 3% on the revenue in 2011.

7. DISCONTINUED OPERATION

In June 2011, the Group ceased the operation of a restaurant in Ningbo which was operated by Ningbo Noble House, Food and Beverage Co., Ltd. ("Ningbo Noble House"), a subsidiary of the Company.

(a) The results of Ningbo Noble House from 1 January 2011 to 30 June 2011 were as follows:

	1.1.2011 to 30.6.2011 *RMB'000*
Revenue	1,835
Other gains and losses	(2)
Cost of inventories consumed	(983)
Staff cost	(665)
Depreciation of property, plant and equipment	(33)
Utilities and consumables	(91)
Rental expenses	(159)
Advertising and marketing expenses	(7)
Other expenses	(230)
Loss before tax	(335)
Income tax expense *(note)*	–
Loss and total comprehensive expense for the year	(335)

Note: Ningbo Noble House was subject to EIT at a rate of 25% for the year ended 31 December 2011. No provision for taxation has been made for the year ended 31 December 2011 since Ningbo Noble House had no assessable profit for the year.

(b) Cash flows for the year ended 31 December 2011 from Ningbo Noble House were as follow:

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

(c) Loss for the year ended 31 December 2011 from discontinued operation includes the following:

	2011
	RMB'000
Salaries and other allowances	228
Retirement benefit scheme contributions	437
Total staff costs	665

8. EARNINGS PER SHARE

From 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:

	2012	2011
	RMB'000	*RMB'000*
Profit for the year attributable to owners of the Company for the purposes of basic earnings per share	**4,781**	4,040
Weighted average number of ordinary shares for the purpose of basic earnings per share	**280,000,000**	210,575,342

The weighted average number of ordinary shares for the purpose of basic earnings per share for the year ended 31 December 2011 had been adjusted retrospectively assuming that the Reorganisation and the issue of shares upon capitalisation have been effective from 1 January 2011 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 2011.

No diluted earnings per share has been presented for both years as the Company has no potential 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:

	2012	2011
	RMB'000	*RMB'000*
Profit for the year attributable to owners of the Company	**4,781**	4,040
Add: loss for the year from discontinued operation	**–**	335
Profit for the purpose of basic earnings per share from continuing operations	**4,781**	4,375

The denominators used are the same as those detailed above.

From discontinued operation

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

	2012 *RMB'000*	2011 *RMB'000*
Loss for the year attributable to owners of the Company	–	(335)
Basic loss per share from discontinued operation (RMB)	–	(0.0016)

The denominators used are the same as those detailed above.

9. DIVIDEND

The Board did not recommend any payment of dividend for the year ended 31 December 2012 (2011: Nil).

10. TRADE AND OTHER RECEIVABLES

Generally, there was no credit period for sales from operation of restaurant and stores for processed food and seafood, 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 dates at the end of the reporting period, which approximated the respective revenue recognition dates, is as follows:

	2012 *RMB'000*	2011 *RMB'000*
Trade receivables:		
0-30 days	**1,841**	1,756
31-60 days	**820**	607
61-90 days	**847**	302
91-120 days	**420**	503
121-150 days	**1**	133
151-180 days	**–**	122
Over 180 days	**1,860**	–
	5,789	3,423
Other receivables and deposits:		
Prepayments to suppliers	**4,049**	8,940
Payment on behalf of restaurants managed or serviced by the group	**300**	847
Other deposits	**670**	–
Advance to an independent third party *(note)*	**–**	1,900
Others	**1,369**	1,730
Less: allowance for doubtful debts	**(146)**	(102)
	6,242	13,315
	12,031	16,738

Note: The advances were unsecured, interest free and fully repaid in January 2012.

11. 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:

	2012	2011
	RMB'000	*RMB'000*
Trade payables:		
0-30 days	**2,688**	2,492
31-60 days	**440**	360
61-90 days	**911**	155
91-180 days	**334**	368
Over 180 days	**360**	364
	4,733	3,739
Other payables:		
Accruals	**1,998**	2,921
Other payables	**3,115**	7,539
Listing expenses payable	**–**	13,249
	5,113	23,709
	9,846	27,448

BUSINESS REVIEW

Continuing Operations

For the year ended 31 December 2012, the Group achieved a revenue of approximately RMB124.7 million, showing a decrease of approximately 5.0%, as compared to approximately RMB131.2 million for the year ended 31 December 2011. Operating margin increased by approximately 3.2% from 58.8% for the year ended 31 December 2011 to 62.0% for the year ended 31 December 2012, 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 in 2012. Profit and total comprehensive income for the year ended 31 December 2012 amounted to approximately RMB4.8 million, showing a decrease of approximately 2.0% as compared to approximately RMB4.9 million for the year end 31 December 2011. Basic earnings per share for the year ended 31 December 2012 was approximately RMB1.7 cents, as compared to RMB2.1 cents for the year ended 31 December 2011.

As at 31 December 2012, we owned and operated six restaurants under the Group's own brand name "Noble House (名軒)" across different regions in the PRC, including Shanghai, Beijing and Qingdao, managed and operated one restaurant in Dalian. We also operated one restaurant in Ningbo, which is an associate of the Group. 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. 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**	
	2011	**2012**	2011	**2012**
Noble House Xuhui Restaurant, Shanghai (上海徐滙店)	26.5	**26.1**	55.9%	**62.2%**
Noble House Pudong Restaurant, Shanghai (上海浦東店)	25.9	**26.5**	58.1%	**62.8%**
Noble House Restaurant, Radisson Hotel, Shanghai (上海新世界店)	24.9	**25.1**	59.1%	**63.8%**
Noble House Luwan Restaurant, Shanghai (上海盧灣店)	7.6	**6.6**	56.4%	**62.7%**
Noble House Restaurant at Hotel Nikko New Century Beijing (北京店)	26.0	**22.4**	54.0%	**58.9%**
Noble House Qingdao Restaurant (青島店)	9.4	**7.6**	44.2%	**51.0%**
	120.3	**114.3**		

Notes:

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

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:

Restaurants	Approximate seating capacity (seats)	Approximate gross floor area (sq.m.)	Approximate total number of customers visited		Average spending per customer per meal (RMB)	
			Year ended 31 December 2011	**Year ended 31 December 2012**	Year ended 31 December 2011	**Year ended 31 December 2012**
Continuing restaurant operations						
Noble House Xuhui Restaurant, Shanghai (上海徐滙店)	140	978	33,868	**30,289**	782	**863**
Noble House Pudong Restaurant, Shanghai (上海浦東店)	146	800	30,246	**28,297**	856	**935**
Noble House Restaurant, Radisson Hotel, Shanghai (上海新世界店)	134	1,370	27,677	**27,788**	901	**902**
Noble House Luwan Restaurant, Shanghai (上海盧灣店)	85	781	9,051	**8,303**	840	**796**
Noble House Restaurant at Hotel Nikko New Century Beijing (北京店)	132	1,000	26,824	**22,427**	970	**998**
Noble House Qingdao Restaurant (青島店)	73	214	13,822	**11,034**	680	**691**

Compared to the year ended 31 December 2011, revenue from operation of restaurants for the year ended 31 December 2012 decreased primarily due to the decrease in number of customers visited. Such effect was substantially offset by 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 RMB9.2 million, showing an increase of approximately RMB0.8 million, as compared to approximately RMB8.4 million for the year ended 31 December 2011, primarily due to the growth of market recognition and support of packaged hairy crab and processed food under the Group's own brand name "Noble House (名軒)".

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately RMB6.5 million, or by approximately 5.0%, from approximately RMB131.2 million for the year ended 31 December 2011 to approximately RMB124.7 million for the year ended 31 December 2012, which was mainly attributable to the decrease in revenue generated from operation of restaurants by approximately RMB6.0 million, and decrease in management services fee received of approximately RMB1.3 million due to completion of one service contract. Such effects were partially offset by an increase in revenue generated from sales of processed food by approximately RMB0.8 million for the year ended 31 December 2012.

Gross profit margin

Gross profit represents the revenue less cost of inventories consumed. The gross profit margin of the Group increased from approximately 58.8% for the year ended 31 December 2011 to approximately 62.0% for the year ended 31 December 2012, 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 in 2012.

Other income

The Group's other income increased by approximately RMB304,000, or by approximately 23.9%, from approximately RMB1,272,000 in 2011 to approximately RMB1,576,000 in 2012. Such increase was mainly due to the increase of the government subsidies granted to the Group and recognition of imputed interest income on advances granted to associates of approximately RMB179,000 in 2012 (2011: nil).

Other gains and losses

The Group recorded other gains of approximately RMB135,000 and RMB53,000 in 2011 and 2012 respectively. Such decrease was mainly due to recognition of allowance for doubtful debts of approximately RMB44,000 in 2012, while reversal of allowance for doubtful debts of approximately RMB72,000 was recognised in 2011.

Cost of inventories consumed

The Group's cost of inventories consumed decreased by approximately RMB6.7 million, or by approximately 12.4%, from approximately RMB54.1 million in 2011 to approximately RMB47.4 million in 2012. In the second half of 2011, the Group has switched the inflationary cost of food ingredients to customers by adjusting the price of the Group's dishes. In addition, the Group implemented certain cost control procedures in order to maintain the profit margin.

Staff cost

The Group's staff cost increased by approximately RMB3.6 million, or by approximately 15.5%, from approximately RMB23.3 million in 2011 to approximately RMB26.9 million in 2012. 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 increased from approximately 17.8% in 2011 to approximately 21.6% in 2012 primarily as a result of the increase in average salary of our staffs in 2012.

Depreciation of property, plant and equipment

The Group's depreciation of property, plant and equipment decreased by approximately RMB0.9 million, or by approximately 25.7%, from approximately RMB3.5 million in 2011 to approximately 2.6 million in 2012, mainly due to the disposal of equipments and fixed assets in the second half of 2011 and that some of the Group's leasehold improvement has reached their full depreciation period in the second half of 2011.

Utilities and consumables

Utilities and consumables increased by approximately RMB2.0 million, or approximately 58.8%, from approximately RMB3.4 million in 2011 to approximately RMB5.4 million in 2012. As a percentage of revenue, utilities and consumables increased from approximately 2.6% in 2011 to approximately 4.3% in 2012, primarily due to replacement of the Group's tableware and continue expansion of the Group's processed food business.

Rental and related expenses

Rental and related expenses increased by approximately RMB2.8 million, or approximately by 17.3%, from approximately RMB16.2 million in 2011 to approximately RMB19.0 million in 2012, which was mainly due to the renewal of certain rental agreements in 2012 with increased rental fee.

Advertising and marketing expenses

Advertising and marketing expenses remained stable as approximately RMB2.1 million and RMB2.0 million in 2011 and 2012 respectively, given that there was no significant changes in the Group's advertising activities.

Other expenses

Other expenses increased by approximately RMB2.1 million, or approximately 18.9%, from approximately RMB11.1 million in 2011 to approximately RMB13.2 million in 2012, primarily due to the increased professional fee, consultancy expenses and transportation expenses.

Income tax expense

The Group's income tax expense decreased by approximately RMB1.8 million, or by approximately 33.3%, from approximately RMB5.4 million in 2011 to approximately RMB3.6 million in 2012, as a result of the decrease in taxable profit in 2012 as compared to 2011. The Group's effective income tax rate decreased from approximately 52.7% in 2011 to approximately 42.9% in 2012, primarily due to the recognition of approximately RMB8.9 million of one-off non-deductible listing and related expenses in 2011.

Discontinued operation

Loss for the year 31 December 2011 from discontinued operation represented the loss incurred by Ningbo Noble House of approximately RMB335,000 (2012: Nil).

Non-controlling interests

Non-controlling interests decreased by approximately 88.4% from approximately RMB501,000 in 2011 to approximately RMB58,000 in 2012. Such decrease was attributable to the decrease in the aggregate amounts of profits made by the non wholly-owned subsidiaries in 2012.

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 increased by approximately RMB0.4 million, or by approximately 9.1%, from approximately RMB4.4 million in 2011 to approximately RMB4.8 million in 2012. The net profit margin increased from approximately 3.3% in 2011 to approximately 3.8% in 2012, primarily as a result of the recognition of approximately RMB8.9 million of one-off listing and related expenses in 2011. Such effect was partially offset by the increase in the staff cost, utilities and consumables, rental and related expenses and other expenses in 2012.

Prospects

In 2012, the global economy recovered at a slow pace due to the European sovereign debt crisis, and so causing a slowdown in growth in Chinese economy. And this slower economic growth also had a negative impact on the catering and restaurant industry in which the Group operates.

Recently, the PRC government issued a set of regulations and restrictions to promote frugality and curb waste. The new regulation has had some impact on PRC's high-ended catering business.

Although current economic environment in the PRC and abroad raises concern, there still exists vast growth potential for the Chinese cuisine full-service restaurant market in which the Group operates. The Twelfth Five-Year Plan (2011– 2015) of the PRC expressly sets a target that residential income shall grow faster than the GDP, which is projected to be growing by approximately 7.5% – 8% annually. With the increase in disposable income, China's full-service restaurant industry will benefit from the policies of development planning in the long run.

In the face of stern challenges caused by the global economic environment, the management remains confident that opportunities exist and the Group can continue its growth and utilise its competitive advantages as a high end restaurant operator in the PRC to enhance shareholders' value.

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. And we will further increase the source of income by expanding our production capacities and the range of food products to be produced.

Upon evaluation of profitability by the management, the Group has, in August 2012, disposed its investment in an associate located in Chengdu. A net gain amounting to RMB200,000 has been yielded thereon.

In addition, the Group has spread its wing to Hong Kong retail market through its establishment of a new subsidiary specializing in retail food trading business during the reporting period. The retail store, situated at the heart of Causeway Bay, has been put into operation in October. Implementing the Group's core vision of delivering food of quality, this new retail wing serves to deliver high-class and exclusive hairy crab and seafood products of choice to its customers. It also aims to increase the overall awareness of the Group's brand in Hong Kong market, so as to achieve the expansion of the Group's market share beyond mainland China into this city of dynamics and potentials.

Furthermore, as a strategic move of the Group to further utilize the its competitive edge in the high end catering industry, a new luxury club house restaurant, situated at the heart of Shanghai metropolis, alongside the Riverside Promenade in Pudong district is established and put into operation in January 2013. Operating under a membership mechanism, this first-class club house, with a total area of approximately 1,200 square meters, not only offers a variety of our renowned finest wine and dishes but also affords a fine view of the Bund at a distance and the marvelous views of Pudong's skyscrapers, creating for our valued customers a brand new and incomparable dining experience along the east bank of the Huangpu River.

The Group has also been exploring certain horizontal merger and acquisition and business collaboration opportunities with local partners in the food and beverage industry aiming to achieve compound growth of the Group's revenue base and market share in the coming financial years.

Liquidity and financial resources

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 RMB22.9 million as at 31 December 2012 (as at 31 December 2011: RMB34.3 million). As at 31 December 2012, the Group's total assets, net current assets and net assets were approximately RMB88.3 million (as at 31 December 2011: RMB97.8 million), approximately RMB21.3 million (as at 31 December 2011: RMB26.7 million) and approximately RMB49.6 million (as at 31 December 2011: RMB45.3 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 2012 as the Group did not have any borrowings as at 31 December 2012.

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. As at 31 December 2012, the Group's cash and bank deposits, were denominated mainly in RMB, with some denominated in Hong Kong dollars. 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 2012, the Directors considered the Group's foreign exchange risk to be insignificant. During the year ended 31 December 2012, the Group did not use any financial instruments for hedging purposes.

Contingent liabilities

As at 31 December 2012, the Group did not have any material contingent liabilities.

Significant investments held

Except for the Group's investments in associates, there were no other significant investments held by us as at 31 December 2012 and 2011.

Employment and remuneration of employees

As at 31 December 2012, the Group had approximately 700 staffs in PRC China and 3 staffs in Hong Kong. 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.

A remuneration committee was set up for, inter alia, reviewing the Group's emolument policy and structure for all directors and senior management of the Group.

Events after the end of reporting period

As at the end of the reporting period, the Group did not have any significant events after the reporting period.

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's annual report and results announcement for the year ended 31 December 2012 has been reviewed by the Audit Committee, which was of the opinion that such reports 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.

Scope of work of Deloitte Touche Tohmatsu

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2012 as set out in the preliminary announcement have been agreed by the Group's auditors, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

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 for the year ended 31 December 2012, except for the deviations from code provision C.1.2, A.6.7 and A.2.1 as explained below.

Code provision C.1.2 stipulates that management should provide all members of the Board with monthly updates giving balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail. During the period from 1 April 2012 to 31 December 2012, the management rather than provide monthly updates to all members of the Board, has provided to all directors quarterly updates with quarterly consolidated financial statement of the Company's performance, position and prospects in sufficient details during the regular Board meetings of the Company. In addition, the management has provided all members of the Board, in a timely manner, updates on any material changes to the performance, position and prospects of the Company and sufficient information for matters brought before the Board.

Under code provision A.6.7, independent non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Due to other unavoidable business engagement, two of independent non-executive Directors were unable to attend the Company's annual general meeting held on 4 May 2012.

Under code provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Chan Tai Neng is the chairman and the chief executive officer of the Company. The Board considers that the Company is still in its growing stage and it would be beneficial to the Group for Mr. Chan to assume both roles as chairman and chief executive officer of the Company, since the two roles tend to reinforce each other and are mutually enhancing in respect of the Group's continual growth and development. When the Group has developed to a more sizeable organisation, the Board will consider splitting the two roles. With the strong business experience of the Directors, they do not expect any issues of concern would arise due to the combined role of Mr. Chan. The Group also has in place an effective internal control system, including the engagement of an internal auditor to conduct internal audit and to perform check and balance functions.

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Directors' interests in competing business

For the year ended 31 December 2012, the Directors were not aware of any business or interest of the Directors, the controlling shareholder, the management shareholder and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

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 during the financial year ended 31 December 2012.

Purchase, sale or redemption of listed securities

For the year ended 31 December 2012, 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
Chairman and executive Director

Hong Kong, 26 March 2013

As at the date of this announcement, the Board comprises Mr. Chan Tai Neng, Mr. Chan Meng Hou 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.