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 2013

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 2013 (the "Year") together with the comparative audited figures for the corresponding year in 2012 (the "Previous Year") as follows:

FINANCIAL HIGHLIGHTS

- The Group's revenue amounted to approximately RMB99.5 million for the year ended 31 December 2013 which represented a decrease of approximately RMB25.2 million or 20.2% as compared with the Previous Year.

- The loss and total comprehensive expense attributable to owners of the Company was approximately RMB26.6 million for the year ended 31 December 2013, while the profit and total comprehensive income attributable to owners of the Company was approximately RMB4.8 million in the Previous Year.

- The Board did not recommend any payment of dividend for the year ended 31 December 2013 (2012: Nil).

- Basic loss per share for the year ended 31 December 2013 amounted to RMB9.5 cents (Basic earnings per share for the Previous Year: RMB1.7 cents).

	Year ended 31 December		**Increase/**
	2013	2012	**(Decrease)**
	RMB	*RMB*	
	(in million)	*(in million)*	
Revenue	**99.5**	124.7	**(20.2)**%
Operating Profit(1)	**59.3**	77.3	**(23.3)**%
(Loss) profit and total comprehensive (expense) income attributable to the owners of the Company for the year	**(26.6)**	4.8	
Operating margin(2)	**59.6%**	62.0%	

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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2013

	NOTES	**2013** *RMB'000*	2012 *RMB'000*
Revenue	*3*	**99,477**	124,702
Other income		**2,195**	1,576
Other gains and losses		**(9,721)**	53
Cost of inventories consumed		**(40,144)**	(47,421)
Staff cost		**(33,846)**	(26,949)
Depreciation of property, plant and equipment		**(3,861)**	(2,594)
Utilities and consumables		**(4,080)**	(5,374)
Rental and related expenses		**(21,068)**	(19,049)
Advertising and marketing expenses		**(2,018)**	(1,982)
Other expenses		**(13,184)**	(13,188)
Share of results of associates		**(1,652)**	(1,292)
(Loss) profit before tax	*5*	**(27,902)**	8,482
Income tax expense	*6*	**(201)**	(3,643)
(Loss) profit and total comprehensive (expense) income for the year		**(28,103)**	4,839
(Loss) profit and total comprehensive (expense) income attributable to:			
Owners of the Company		**(26,611)**	4,781
Non-controlling interests		**(1,492)**	58
		(28,103)	4,839
(Loss) earnings per share (RMB), basic	*7*	**(0.095)**	0.017

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

For the year ended 31 December 2013

	NOTES	2013 RMB'000	2012 RMB'000
Non-current assets			
Property, plant and equipment		**14,624**	12,078
Goodwill		**–**	1,429
Rental deposits		**2,150**	3,045
Interests in associates		**343**	1,625
Amounts due from associates		**1,405**	7,673
Deposit for acquisition of property, plant and equipment		**–**	2,500
		18,522	28,350
Current assets			
Inventories		**11,221**	14,989
Trade and other receivables	*9*	**12,607**	12,031
Short-term bank deposit		**–**	10,000
Bank balances and cash		**20,730**	22,901
		44,558	59,921
Current liabilities			
Trade and other payables	*10*	**15,602**	9,846
Prepayment from customers		**21,877**	24,165
Tax liabilities		**4,071**	4,627
		41,550	38,638
NET CURRENT ASSETS		**3,008**	21,283
TOTAL ASSETS LESS CURRENT LIABILITIES		**21,530**	49,633
Capital and reserves			
Share capital		**2,291**	2,291
Reserves		**20,140**	46,751
Equity attributable to owners of the Company		**22,431**	49,042
Non-controlling interests		**(901)**	591
		21,530	49,633

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2013

	Attributable to owners of the Company						
	Share Capital *RMB'000*	**Share premium** *RMB'000*	**(Accumulated losses) retained profits** *RMB'000*	**Special reserve** *RMB'000*	**Total** *RMB'000*	**Non-controlling interests** *RMB'000*	**Total** *RMB'000*
At 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
Loss and total comprehensive expense for the year	–	–	(26,611)	–	(26,611)	(1,492)	(28,103)
At 31 December 2013	2,291	31,076	(11,464)	528	22,431	(901)	21,530

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2013

1. GENERAL

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 (the "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")

The Group has applied the following new and revised IFRSs issued by the International Accounting Standard Board for the first time in the current year:

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

Except as described below, the application of the new and revised 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 disclosures set out in these consolidated financial statements.

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

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities, IAS 27 (as revised in 2011) Separate Financial Statements and IAS 28 (as revised in 2011) Investments in Associates and Joint Ventures, together with the amendments to IFRS 10, IFRS 11 and IFRS 12 regarding transitional guidance.

IAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

Impact of the application of IFRS 10

IFRS 10 replaces the parts of IAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and SIC-Int 12 Consolidation – Special Purpose Entities. IFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in IFRS 10 to explain when an investor has control over an investee. The directors assess the application of IFRS 10 and conclude that the Group has had control over the investee which are consolidated into the consolidated financial statements before the application of IFRS 10. Accordingly, the application of the adoption of IFRS 10 has had no material impact on the amounts reported in this consolidated financial information.

Impact of the application of IFRS 12

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of IFRS 12 has resulted in more extensive disclosures in the consolidated financial statements. Accordingly, the application of the adoption of IFRS 12 has had no material impact on the amounts reported in this consolidated financial information.

Amendments to IAS 1 Presentation of items of Other Comprehensive Income

The Group has applied the amendments to IAS 1 Presentation of Items of Other Comprehensive Income. Upon the adoption of the amendments to IAS 1, the Group's 'statement of comprehensive income' is renamed as the 'statement of profit or loss and other comprehensive income. Other than the above mentioned presentation changes, the application of the amendments to IAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

New and revised Standards, Amendments and Interpretation issued but not yet effective

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

Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities[1]
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions[2]
Amendments to IFRS 9 and IFRS 7	Mandatory Effective Date of IFRS 9 and Transition Disclosures[3]
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
Amendments to IFRSs	Annual Improvements to IFRSs 2010-2012 Cycle[4]
Amendments to IFRSs	Annual Improvements to IFRSs 2011-2013 Cycle[2]
IFRS 9	Financial Instruments[3]
IFRS 14	Regulatory Deferral Accounts[5]
IFRIC – Int 21	Levies[1]

1 Effective for annual periods beginning on or after 1 January 2014
2 Effective for annual periods beginning on or after 1 July 2014
3 Available for application-the mandatory effective date will be determined when the outstanding phases of IFRS 9 are finalised
4 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions
5 Effective for first annual IFRS financial statements beginning on or after 1 January 2016

Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The amendments to IAS 36 remove the requirement to disclose the recoverable amount of a cash generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements regarding the fair value hierarchy, key assumptions and valuation techniques used when the recoverable amount of an asset or CGU was determined based on its fair value less costs of disposal.

The directors of the Company do not anticipate that the application of these amendments to IAS 36 will have a significant impact on the Group's consolidated financial statements.

The directors of the Company anticipate that the application of other new and revised IFRSs will have no material impact on the results and financial position of the Group.

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

	2013	2012
	RMB'000	*RMB'000*
Operation of restaurants	**86,605**	114,318
Sales of processed food and seafood	**12,471**	9,211
Management services	**401**	1,173
	99,477	124,702

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. 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) Hong Kong – operation of one seafood store.

Segment information is presented below.

4. SEGMENT INFORMATION

Year ended 31 December 2013

	Shanghai *RMB'000*	**Beijing** *RMB'000*	**Qingdao** *RMB'000*	**Hong Kong** *RMB'000*	**Segment total** *RMB'000*	**Eliminations** *RMB'000*	**Total** *RMB'000*
REVENUE							
External sales	**81,104**	**12,975**	**4,657**	**741**	**99,477**	**–**	**99,477**
Inter-segment management service fee and sales of processed food	**9,960**	**–**	**–**	**–**	**9,960**	**(9,960)**	**–**
Total	**91,064**	**12,975**	**4,657**	**741**	**109,437**	**(9,960)**	**99,477**
RESULT							
Segment result	**(4,509)**	**(2,858)**	**(307)**	**(2,532)**	**(10,206)**		**(10,206)**
Unallocated corporate expenses							**(7,018)**
Impairment loss recognised on goodwill							**(1,429)**
Impairment loss recognised on amounts due from associates							**(8,712)**
Waiver of other payables upon deregistration of a subsidiary							**1,115**
Share of results of associates							**(1,652)**
Loss before tax							**(27,902)**

Year ended 31 December 2012

	Shanghai *RMB'000*	Beijing *RMB'000*	Qingdao *RMB'000*	Hong Kong *RMB'000*	Segment total *RMB'000*	Eliminations *RMB'000*	Total *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

Other segment information

Year ended 31 December 2013

	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	**681**	**–**	**–**	**–**	**681**
Depreciation of property, plant and equipment	**2,886**	**665**	**29**	**281**	**3,861**
Loss on disposal of property, plant equipment	**123**	**–**	**–**	**–**	**123**
Interest income	**(359)**	**–**	**–**	**–**	**(359)**
Imputed interest income on advances to associates	**(556)**	**–**	**–**	**–**	**(556)**

Year ended 31 December 2012

	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

Segment (loss) profit represents the (loss) 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.

As information on the Group's segment assets and liabilities are not regularly provided to the Group's chief operating decision maker, segment assets and liabilities are not presented.

Geographical information

The Group's operations are located in the PRC and Hong Kong. Information about the Group's revenue 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	
	31/12/2013	31/12/2012	**31/12/2013**	31/12/2012
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
PRC	**98,736**	123,973	**16,020**	19,058
Hong Kong	**741**	729	**1,097**	1,619
	99,477	124,702	**17,117**	20,677

Information about major customers

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

5. (LOSS) PROFIT BEFORE TAX

	2013	2012
	RMB'000	*RMB'000*
(Loss) profit before tax has been arrived at after charging:		
Directors' and chief executive's emoluments	**1,765**	588
Salaries and other allowances	**26,303**	22,263
Retirement benefit scheme contributions, excluding those of directors	**5,778**	4,098
Total staff costs	**33,846**	26,949
Auditors' remuneration	**698**	782

6. INCOME TAX EXPENSE

	2013	2012
	RMB'000	*RMB'000*
Enterprise income tax in the PRC		
Current tax	**162**	4,028
Under(over)provision in prior year	**39**	(385)
	201	3,643

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 which operating in Hong Kong have incurred tax losses for both years.

PRC

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

The tax charge for the year can be reconciled to the (loss) profit before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	2013	2012
	RMB'000	*RMB'000*
(Loss) profit before tax	**(27,902)**	8,482
Tax at EIT rate (25%)	**(6,976)**	2,121
Tax effect of expenses not deductible for tax purpose (note i)	**3,464**	1,350
Tax effect of income not taxable for tax purpose	**(430)**	(140)
Tax effect of tax losses not recognised	**3,236**	238
Tax effect of temporary difference not recognised	**225**	12
Effect of different tax rates of subsidiaries operated in Hong Kong	**393**	267
Tax effect of share of results of associates	**413**	323
Utilisation of tax loss from previous years	**(36)**	–
Others	**(127)**	(143)
Under(over)provision in prior year	**39**	(385)
Tax charge for the year	**201**	3,643

Note:

(i) The amount mainly consists of entertainment, staff welfare, fine and social insurance which are not deductible for tax purpose.

7. (LOSS) EARNINGS PER SHARE

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

	2013	2012
	RMB'000	*RMB'000*
(Loss) profit for the year attributable to owners of the Company for the purposes of basic (loss) earnings per share	**(26,611)**	4,781
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	**280,000,000**	280,000,000

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

8. DIVIDENDS

The Board do not recommend any payment of dividend for the year ended 31 December 2013 (2012: Nil)

9. 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.

	2013	2012
	RMB'000	*RMB'000*
Trade receivables	**9,515**	5,789
Less: allowance for doubtful debts	**(502)**	–
	9,013	5,789
Other receivables and deposits:		
Prepayments to suppliers	**1,059**	4,049
Payment on behalf of restaurants managed or serviced by the group	**315**	300
Other deposits	**1,561**	670
Others	**984**	1,369
Less: allowance for doubtful debts	**(325)**	(146)
	3,594	6,242
	12,607	12,031

Before accepting any new corporate customers, the Group assessed the potential customer's credit quality and defines credit limits by customer.

The aged analysis of the Group's trade receivables, net of allowances, based on invoice dates at the end of the reporting period, which approximated the respective revenue recognition dates, is as follows:

	2013	2012
	RMB'000	*RMB'000*
0–30 days	**2,434**	1,841
31–60 days	**1,370**	820
61–90 days	**1,420**	847
91–120 days	**158**	420
121–150 days	**1**	1
151–180 days	**473**	–
Over 180 days	**3,157**	1,860
	9,013	5,789

Included in the Group's trade receivable balances are debtors with an aggregate carrying amount of RMB3,789,000 as of 31 December 2013 (2012: RMB2,281,000), which are past due as at the reporting date for which the Group has not provided for impairment loss as the directors assessed that the balances will be recovered based on their settlement records and there has not been an adverse change in the relevant entities' credit quality. The Group does not hold any collateral over these balances.

Included in the Group's trade receivable balance is the following past due debts for which the Group has not provided for impairment loss:

Ageing of trade receivables which are past due but not impaired

	2013	2012
	RMB'000	*RMB'000*
91–120 days	**158**	420
121–150 days	**1**	1
151–180 days	**473**	–
Over 180 days	**3,157**	1,860
	3,789	2,281

Movement in the allowance for doubtful debts on trade receivables

	2013	2012
	RMB'000	*RMB'000*
At beginning of the year	**–**	–
Allowance for impairment losses recognised	**502**	–
At end of the year	**502**	–

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of approximately RMB502,000 (2012: nil) of which the debtors were in financial difficulties.

Movement in the allowance for doubtful debts on other receivables

	2013	2012
	RMB'000	*RMB'000*
At beginning of the year	**146**	102
Allowance for impairment losses recognised	**179**	44
At end of the year	**325**	146

Included in the allowance for doubtful debts are individually impaired other receivables with an aggregate carrying amount of RMB325,000 (2012: RMB146,000) which was not settled before the due date and considered as uncollectable.

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:

	2013	2012
	RMB'000	*RMB'000*
Trade payables:		
0–30 days	**3,058**	2,688
31–60 days	**1,344**	440
61–90 days	**1,490**	911
91–180 days	**488**	334
Over 180 days	**423**	360
	6,803	4,733
Other payables:		
Accruals	**3,790**	1,998
Other payables	**5,009**	3,115
	8,799	5,113
	15,602	9,846

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the year ended 31 December 2013, the Group recorded a revenue of approximately RMB99.5 million, showing a decrease of approximately 20.2%, as compared to approximately RMB124.7 million for the year ended 31 December 2012. Operating margin decreased from approximately 62.0% for the year ended 31 December 2012 to 59.6% for the year ended 31 December 2013. It was primarily due to inflation of food costs in the PRC in 2013 while no upward price adjustment was made in 2013 under the slowdown of high-class dining industry. Loss and total comprehensive expense for the year ended 31 December 2013 amounted to approximately RMB28.1 million, while profit and total comprehensive income amounted to approximately RMB 4.8 million was noted for the year ended 31 December 2012. Basic Loss per share for the year ended 31 December 2013 was RMB9.5 cents, as compared to basic earnings per share amounted to RMB 1.7 cents for the year ended 31 December 2012.

As at 31 December 2013, 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 and Qingdao, managed and operated one restaurant in Dalian. We also operated two restaurants in Shanghai and Ningbo, which are associates 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 and a seafood trading company in Shanghai which supplied seafood to the Group's restaurants. We believe 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 addition, the Group engaged in the trading of seafood and processing supplemental food products including, among others, spicy XO sauce with crab meat, crab-roe, processed abalone and braised meat, under the Group's own brand name "Noble House (名軒)", for supply to the Group's restaurants, retail shops and a local supermarket in Hong Kong and Shanghai. 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	
	2012	**2013**	2012	**2013**
Noble House Xuhui Restaurant, Shanghai (上海徐滙店)	26.1	**19.5**	62.2%	**63.8%**
Noble House Pudong Restaurant, Shanghai (上海浦東店)	26.5	**18.7**	62.8%	**63.5%**
Noble House Restaurant, Radisson Hotel, Shanghai (上海新世界店)	25.1	**17.4**	63.8%	**64.1%**
Noble House Luwan Restaurant, Shanghai (上海盧灣店)	6.6	**6.2**	62.7%	**65.5%**
Noble House Restaurant at Hotel Nikko New Century Beijing (北京店)	22.4	**13.0**	58.9%	**57.7%**
Noble House Qingdao Restaurant (青島店)	7.6	**4.7**	51.0%	**55.9%**
Noble House Zhangjiang Restaurant, Shanghai (上海張江店)	–	**7.1**	–	**56.7%**
	114.3	**86.6**		

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 2012	**Year ended 31 December 2013**	Year ended 31 December 2012	**Year ended 31 December 2013**
Noble House Xuhui Restaurant, Shanghai (上海徐滙店)	140	978	30,289	**23,434**	863	**832**
Noble House Pudong Restaurant, Shanghai (上海浦東店)	146	800	28,297	**21,436**	935	**872**
Noble House Restaurant, Radisson Hotel, Shanghai (上海新世界店)	134	1,370	27,788	**34,482**	902	**505**
Noble House Luwan Restaurant, Shanghai (上海盧灣店)	85	781	8,303	**7,563**	796	**820**
Noble House Restaurant at Hotel Nikko New Century Beijing (北京店)	132	1,000	22,427	**11,735**	998	**1,108**
Noble House Qingdao Restaurant (青島店)	73	214	11,034	**7,871**	691	**597**
Noble House Zhangjiang Restaurant, Shanghai (上海張江店)	720	3,105	–	**146,926**	–	**48**

Compared to the year ended 31 December 2012, revenue from operation of restaurants for the year ended 31 December 2013 decreased primarily due to the decrease in number of customers visited. The decrease was mainly due to the effect from the issuance of a set of policies to promote frugality by the PRC Government since February 2013. However, since the target customers of Zhangjiang Restaurant are middle-class customers, the approximate total number of customers visited was higher and the average spending per customer per meal was lower, compared with the Group's other restaurants.

On the other hand, the Group achieved a revenue generated from sales of processed goods of approximately RMB12.5 million, showing an increase of approximately RMB3.3 million, as compared to approximately RMB9.2 million for the year ended 31 December 2012, 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)".

For management income, it represented management fee, VIP cards handling fee paid by franchised shops. It decreased from RMB 1.2 million in 2012 to RMB 0.4 million in 2013 since the performance of franchised shops was affected by PRC Government policies in 2013.

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Revenue

The Group's revenue decreased by approximately RMB25.2 million, or by approximately 20.2%, from approximately RMB124.7 million for the year ended 31 December 2012 to approximately RMB99.5 million for the year ended 31 December 2013, which was mainly attributable to the decrease in revenue generated from operation of restaurants by approximately RMB27.7 million, and decrease in management services fee received of approximately RMB0.8 million. Such effects were partially offset by an increase in revenue generated from sales of processed food by approximately RMB3.3 million for the year ended 31 December 2013.

Gross profit margin

Gross profit represents the revenue less cost of inventories consumed. The gross profit margin of the Group decreased from approximately 62.0% for the year ended 31 December 2012 to approximately 59.6% for the year ended 31 December 2013, which was primarily due to the inflation of food costs in the PRC in 2013.

Other income

The Group's other income increased by approximately RMB619,000, or by approximately 39.3%, from approximately RMB1,576,000 in 2012 to approximately RMB2,195,000 in 2013. Such increase was mainly due to the increase in recognition of imputed interest income on advances granted to associates of approximately RMB556,000 in 2013 (2012: RMB179,000).

Other gains and losses

The Group recorded other losses of approximately RMB9,721,000 in 2013 while other gains of approximately RMB 53,000 were noted in 2012. The other losses were mainly contributed by the impairment of amount due from associates and impairment of goodwill of approximately RMB8,712,000 and RMB1,429,000 respectively since the two associates of the Group and Shanghai Crab Store encountered great losses in current year. The other losses were partly offset by waiver of other payables upon deregistration of dormant subsidiary in Ningbo amounted to RMB1,115,000.

Cost of inventories consumed

The Group's cost of inventories consumed decreased by approximately RMB7.3 million, or by approximately 15.3%, from approximately RMB47.4 million in 2012 to approximately RMB40.1 million in 2013. The decrease was mainly due to decrease in revenue which partly off set by the inflation of food cost in the PRC in 2013.

Staff cost

The Group's staff cost increased by approximately RMB6.9 million, or by approximately 25.7%, from approximately RMB26.9 million in 2012 to approximately RMB33.8 million in 2013. 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. In addition, the newly opened Zhangjiang Restaurant in January 2013 contributed the increase by RMB4.1 million. As a percentage of the Group's revenue, staff cost increased from approximately 21.6% in 2012 to approximately 34.0% in 2013 primarily as a result of the decrease in revenue in 2013.

Depreciation of property, plant and equipment

The Group's depreciation of property, plant and equipment increased by approximately RMB1.3 million, or by approximately 50%, from approximately RMB2.6 million in 2012 to approximately 3.9 million in 2013, mainly due to the increase in leasehold improvement for the newly established restaurant in 2013.

Utilities and consumables

Utilities and consumables decreased by approximately RMB1.3 million, or approximately 24.1%, from approximately RMB5.4 million in 2012 to approximately RMB4.1 million in 2013. As a percentage of revenue, utilities and consumables slightly decreased from approximately 4.3% in 2012 to approximately 4.1% in 2013, primarily due to cost control policy adopted by the Group.

Rental and related expenses

Rental and related expenses increased by approximately RMB2.1 million, or approximately by 11.1%, from approximately RMB19.0 million in 2012 to approximately RMB21.1 million in 2013, which was mainly due to opening of Zhangjiang restaurant in January 2013.

Advertising and marketing expenses

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

Other expenses

Other expenses remained stable at approximately RMB13.2 million which included mainly professional fee, consultancy expenses and transportation expenses.

Income tax expense

The Group's income tax expenses decreased by approximately RMB3.4 million, or approximately 94.4%, from approximately RMB3.6 million in 2012 to RMB201,000 in 2013, as a result of significant decrease in taxable profit in 2013 as compared to 2012.

Non-controlling interests

Non-controlling interests decreased from profit approximately RMB58,000 in 2012 to loss approximately RMB1,492,000 in 2013. Such decrease was attributable to the decrease in the aggregate amounts of profits from 2012 to loss in 2013 made by the non wholly-owned subsidiaries.

Prospects

In 2013, the PRC government issued a set of policies to promote frugality. The new regulation has had significant impact on PRC's catering business, especially the high-ended one.

During the year ended 31 December 2013, a new restaurant, Zhangjiang Restaurant (張江店), which chiefly targets middle-class restaurant market of PRC has been established in Shanghai, as a strategic move taken by the management to mitigate the impact on PRC's high-ended catering business by the PRC government's recent sets of policies to promote frugality.

In the foreseeable future, the Group will continue the operation of our existing restaurants in PRC and expand the market in food trading business in PRC and Hong Kong. In the meantime, 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 cooperating with PRC larger wholesalers, providing more type of catering services or expanding our production capacities and the range of food products to be produced.

Due to PRC government's sets of policies to promote frugality in 2013, the management remains prudent in expansion of new restaurants in PRC. On the other hand, the management still have confidence in food trading business in PRC and Hong Kong. In addition, they planned to implement some cost control policies in order to save cost.

Although current economic environment in the PRC and abroad raises concern, there is still 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.

Furthermore, as a strategic move of the Group to further utilize its competitive edge in the high end catering industry, a new luxury club house restaurant, Bin Jiang Noble House (濱江名軒), 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 marvellous 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 RMB20.7 million as at 31 December 2013 (as at 31 December 2012: RMB22.9 million). As at 31 December 2013, the Group's total assets, net current assets and net assets were approximately RMB63.1 million (as at 31 December 2012: RMB88.3 million), approximately RMB3.0 million (as at 31 December 2012: RMB21.3 million) and approximately RMB21.5 million (as at 31 December 2012: RMB49.6 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 2013 as the Group did not have any borrowings as at 31 December 2013.

Capital Structure

The shares of the Company were listed on GEM of the Stock Exchange on 30 December 2011. There has been no change in the capital structure of the Company since that date, The capital of the Company comprises of ordinary shares.

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 2013, the Group's cash and bank deposits, were denominated mainly in RMB, with some denominated in HKD and USD. Any significant exchange rate fluctuations of HKD against RMB as the functional currency may have a financial impact to the Group.

As at 31 December 2013, the Directors considered the Group's foreign exchange risk to be insignificant. During the year ended 31 December 2013, the Group did not use any financial instruments for hedging purposes.

Contingent Liabilities

As at 31 December 2013, 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 2013 and 2012.

Further Plan for Material Investments or Capital Assets

As at 31 December 2013, the Group did not have any further plan for material investments or capital assets.

Pledge of Assets

As at 31 December 2013, the Group did not have any mortgage or charge over its assets.

Employment and Remuneration of Employees

As at 31 December 2013, the Group had approximately 524 staffs in PRC China and 2 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.

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 current Audit Committee comprises the three independent non-executive Directors, namely Mr. Tse Wai Chuen, Tony, Mr. Wang Zhi Zhong and Mr. Yeung Chi Wai (from 31 October 2013). The chairman of the Audit Committee is Mr. Yeung Chi Wai. The Group's annual report and results announcement for the year ended 31 December 2013 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.

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 2013 except for the deviations for 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 year ended 31 December 2013, 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, one of Independent non-executive Directors were unable to attend the Company's Board meeting held on 14 August 2013.

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 a professional accounting firm to conduct internal audit, to perform check and balance functions.

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 2013.

Purchase, Sale or Redemption of Listed Securities

For the year ended 31 December 2013, 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, 25 March 2014

As at the date of this announcement, the executive Directors are Mr. Chan Tai Neng, Mr. Cheung Chi Keung and Mr. Chan Meng Hou and the independent non-executive Directors are Mr. Tse Wai Chuen, Tony, Mr. Wang Zhi Zhong and Mr. Yeung Chi Wai.

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.