名軒(中國)控股有限公司

Noble House (China) Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8246)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK 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 Stock 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 Stock 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 Stock 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 2014 (the "Current Year") together with the comparative audited figures for the corresponding year ended 31 December 2013 (the "Comparable Year") as follows:

FINANCIAL HIGHLIGHTS

- The Group's revenue amounted to approximately RMB74.8 million for the Current Year which represented a decrease of approximately RMB24.7 million or 24.8% as compared with the Comparable Year.

- The loss and total comprehensive expenses attributable to owners of the Company was approximately RMB32.2 million for the Current Year which represented an increase of approximately RMB5.6 million or 21.1% as compared with the Comparable Year.

- The Board did not recommend any payment of dividend for the Current Year (Comparable Year: Nil).

- Basic loss per share for the Current Year amounted to RMB11.3 cents (Basic loss per share for the Comparable Year: RMB9.5 cents).

	Year ended 31 December		
	2014	2013	Increase/ (Decrease)
	RMB	*RMB*	
	(in million)	*(in million)*	
	(Audited)	(Audited)	
Revenue	**74.8**	99.5	(24.8)%
Operating Profit [(1)]	**46.3**	59.3	(21.9)%
Loss and total comprehensive expenses attributable to the owners of the Company for the year	**(32.2)**	(26.6)	21.1%
Operating margin [(2)]	**61.9%**	59.6%	

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 the 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 2014

	NOTES	**2014**	2013
		RMB'000	*RMB'000*
Revenue	*3*	**74,810**	99,477
Other income	*4*	**1,630**	2,195
Other gains and losses	*5*	**(3,802)**	(9,721)
Cost of inventories consumed		**(28,527)**	(40,144)
Staff costs		**(35,750)**	(33,846)
Depreciation of property, plant and equipment		**(3,890)**	(3,861)
Utilities and consumables		**(3,951)**	(4,080)
Rental and related expenses		**(20,627)**	(21,068)
Advertising and marketing expenses		**(991)**	(2,018)
Other expenses		**(12,493)**	(13,184)
Impairment loss recognised on inventories		**(84)**	–
Share of results of associates		**(375)**	(1,652)
Loss before tax	*6*	**(34,050)**	(27,902)
Income tax expense	*7*	**–**	(201)
Loss and total comprehensive expenses for the year		**(34,050)**	(28,103)
Loss and total comprehensive expenses attributable to:			
Owners of the Company		**(32,243)**	(26,611)
Non-controlling interests		**(1,807)**	(1,492)
		(34,050)	(28,103)
Loss per share, basic	*9*	**RMB(0.113)**	RMB(0.095)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2014

	NOTES	**2014** *RMB'000*	2013 *RMB'000*
Non-current assets			
Property, plant and equipment		**11,849**	14,624
Goodwill		**–**	–
Rental deposits		**2,068**	2,150
Interests in associates		**–**	343
Amounts due from associates		**–**	1,405
		13,917	18,522
Current assets			
Inventories		**11,260**	11,221
Trade and other receivables	*10*	**10,167**	12,607
Bank balances and cash		**37,207**	20,730
		58,634	44,558
Current liabilities			
Trade and other payables	*11*	**18,312**	15,602
Prepayment from customers		**20,408**	21,877
Amounts due to directors		**5,104**	–
Tax liabilities		**4,081**	4,071
		47,905	41,550
NET CURRENT ASSETS		**10,729**	3,008
TOTAL ASSETS LESS CURRENT LIABILITIES		**24,646**	21,530
Capital and reserves			
Share capital		**2,735**	2,291
Reserves		**24,619**	20,140
Equity attributable to owners of the Company		**27,354**	22,431
Non-controlling interests		**(2,708)**	(901)
		24,646	21,530

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2014

	Attributable to owners of the Company							
	Share capital *RMB'000*	Share premium *RMB'000*	Share option reserve *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 2013	2,291	31,076	–	15,147	528	49,042	591	49,633
Loss and total comprehensive expenses 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
Loss and total comprehensive expenses for the year	–	–	–	(32,243)	–	(32,243)	(1,807)	(34,050)
Issue of new shares	444	28,407	–	–	–	28,851	–	28,851
Cost of issuing new shares	–	(33)	–	–	–	(33)	–	(33)
Recognition of equity-settled share-based payments	–	–	8,348	–	–	8,348	–	8,348
At 31 December 2014	2,735	59,450	8,348	(43,707)	528	27,354	(2,708)	24,646

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2014

1. GENERAL

The Company is an exempted company with limited liability incorporated in the Cayman Islands. The Company's shares are listed on the GEM of the Stock Exchange. 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")

Amendments to IFRSs and the new Interpretation that are mandatorily effective for the current year

The Group has applied for the first time in the current year the following amendments to IFRSs and a new Interpretation.

Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities

The Group has applied the amendments to IFRS 10, IFRS 12 and IAS 27 *Investment Entities* for the first time in the current year. The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investment entities.

As the Company is not an investment entity (assessed based on the criteria set out in IFRS 10 as at 1 January 2014), the application of the amendments has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities

The Group has applied the amendments to IAS 32 *Offsetting Financial Assets and Financial Liabilities* for the first time in the current year. The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The amendments have been applied retrospectively. As the Group does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

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

The Group has applied the amendments to IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets* for the first time in the current year. 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 applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by IFRS 13 *Fair Value Measurements*.

The application of these amendments has had no material impact on the disclosures in the Group's consolidated financial statements.

Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting

The Group has applied the amendments to IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting* for the first time in the current year. The amendments to IAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.

The amendments have been applied retrospectively. As the Group does not have any derivatives that are subject to novation, the application of these amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

IFRIC – Int 21 Levies

The Group has applied IFRIC – Int 21 *Levies* for the first time in the current year. IFRIC – Int 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

IFRIC – Int 21 has been applied retrospectively. The application of this Interpretation has had no material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

New and revised IFRSs in issue 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.

IFRS 9	Financial Instruments[1]
IFRS 14	Regulatory Deferral Accounts[2]
IFRS 15	Revenue from Contracts with Customers[3]
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations[5]
Amendments to IAS 1	Disclosure Initiative[5]
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[5]
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions[4]
Amendments to IFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[6]
Amendments to IFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[4]
Amendments to IFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[5]
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants[5]
Amendments to IAS 27	Equity Method in Separate Financial Statements[5]
Amendments to IFRS 10 and IAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception[5]

[1] Effective for annual periods beginning on or after 1 January 2018
[2] Effective for first annual IFRS financial statements beginning on or after 1 January 2016
[3] Effective for annual periods beginning on or after 1 January 2017
[4] Effective for annual periods beginning on or after 1 July 2014
[5] Effective for annual periods beginning on or after 1 January 2016
[6] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

The directors of the Company do not anticipate that the application of these will have a material effect on the Group's 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

	2014	2013
	RMB'000	*RMB'000*
Operation of restaurants	**68,211**	86,605
Sales of processed food and seafood	**6,599**	12,471
Management services	**–**	401
	74,810	99,477

The information reported to the chief operating decision maker, 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 five 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.

Segment information is presented below.

Year ended 31 December 2014

	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	62,168	10,959	1,384	299	74,810	–	74,810
Inter-segment management service fee and sales of processed food	9,024	–	–	–	9,024	(9,024)	–
Total	71,192	10,959	1,384	299	83,834	(9,024)	74,810
RESULT							
Segment result	(9,435)	(4,170)	(1,947)	(2,552)	(18,104)		(18,104)
Unallocated corporate expenses							(13,490)
Impairment loss recognised in respect of amount due from an associate							(1,509)
Written off of amounts due from associates							(772)
Gain on disposal of interest in an associate							200
Share of results of associates							(375)
Loss before tax							(34,050)

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)
Gain on deregistration of a subsidiary							1,115
Share of results of associates							(1,652)
Loss before tax							(27,902)

Other segment information

Year ended 31 December 2014

	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	**980**	**143**	**–**	**–**	**1,123**
Depreciation of property, plant and equipment	**2,608**	**966**	**27**	**289**	**3,890**
Loss on disposal of property, plant equipment	**162**	**–**	**–**	**74**	**236**
Interest income	**(34)**	**–**	**–**	**–**	**(34)**
Imputed interest income on advances to associates	**(537)**	**–**	**–**	**–**	**(537)**

Year ended 31 December 2013

	Shanghai	Beijing	Qingdao	Hong Kong	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*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)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment loss represents the loss generated 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**	
	31.12.2014	31.12.2013	**31.12.2014**	31.12.2013
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
PRC	**74,511**	98,736	**11,845**	16,020
Hong Kong	**299**	741	**2,072**	1,097
	74,810	99,477	**13,917**	17,117

Information about major customers

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

4. OTHER INCOME

	2014	2013
	RMB'000	*RMB'000*
Government subsidy *(note)*	**950**	1,280
Imputed interest income on advances to associates	**537**	556
Interest income	**34**	359
Others	**109**	–
	1,630	2,195

Note:

During the year ended 31 December 2014, a PRC subsidiary received approximately RMB950,000 (2013: RMB1,280,000), subsidies given by the PRC government for encouragement of its business development. There were no other specific conditions attached to the incentives and, therefore, the Group recognised the incentives upon receipt.

5. OTHER GAINS AND LOSSES

	2014	2013
	RMB'000	*RMB'000*
Loss on disposal of property, plant and equipment	**(236)**	(123)
Allowance for doubtful debts	**(1,123)**	(681)
Waiver of other payables upon deregistration of a subsidiary	**–**	1,115
Impairment loss recognised on amounts due from associates	**(1,509)**	(8,712)
Written off of amounts due from associates	**(772)**	–
Impairment loss recognised on goodwill	**–**	(1,429)
Gain on disposal of interest in an associate	**200**	–
Others	**(362)**	109
	(3,802)	(9,721)

6. LOSS BEFORE TAX

	2014	2013
	RMB'000	*RMB'000*
Loss before tax has been arrived at after charging:		
Directors' and chief executive's emoluments	**4,580**	1,765
Salaries and other allowances	**21,225**	26,303
Retirement benefit scheme contributions, excluding those of directors	**4,531**	5,778
Equity-settled share-based expenses, excluding those of directors	**5,414**	–
Total staff costs	**35,750**	33,846
Auditors' remuneration	**749**	698

7. INCOME TAX EXPENSE

	2014	2013
	RMB'000	*RMB'000*
Enterprise income tax in the PRC		
Current tax	**–**	162
Underprovision in prior year	**–**	39
	–	201

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, 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 before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	2014	2013
	RMB'000	*RMB'000*
Loss before tax	**(34,050)**	(27,902)
Tax at EIT rate (25%)	**(8,513)**	(6,976)
Tax effect of expenses not deductible for tax purpose *(note)*	**3,082**	3,464
Tax effect of income not taxable for tax purpose	**(188)**	(430)
Tax effect of tax losses not recognised	**3,986**	3,236
Tax effect of temporary difference not recognised	**325**	225
Effect of different tax rates of subsidiaries operations in Hong Kong	**1,214**	393
Tax effect of share of results of associates	**94**	413
Utilisation of tax loss from previous years	**–**	(36)
Others	**–**	(127)
Underprovision in prior year	**–**	39
Tax charge for the year	**–**	201

Note: The amount mainly consists of entertainment, staff welfare and fine which are not deductible for tax purpose.

At the end of the reporting period, the Group has unused tax losses of RMB32,638,000 (2013: RMB16,695,000) available for offset against future profits. A deferred tax asset has been recognised in respect of RMB594,000 (2013: RMB848,000) of such losses. No deferred tax asset has been recognised in respect of the remaining RMB32,044,000 (2013: RMB15,847,000) due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of RMB1,290,000 (2013: RMB1,290,000) which will expire in 2015, RMB393,000 (2013: RMB393,000) will expire in 2016; RMB2,068,000 (2013: RMB2,068,000) will expire in 2017; RMB10,386,000 (2013: RMB10,432,000) will expire in 2018 and RMB13,636,000 (2013: nil) will expire in 2019. The remaining unused tax losses can be carried indefinitely.

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to nil as at 31 December 2014 (2013: RMB13,630,000), as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

8. DIVIDENDS

No dividend has been paid or proposed by the Group for the year ended 31 December 2013 and 2014.

9. LOSS PER SHARE

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

	2014	2013
	RMB'000	*RMB'000*
Loss for the year attributable to owners of the Company for the purposes of basic loss per share	**(32,243)**	(26,611)
Weighted average number of ordinary shares for the purpose of basic loss per share	**286,444,000**	280,000,000

The computation of diluted loss per share does not assume the exercise of the Company's outstanding share options as the exercise price of those options is higher than the average market price for shares for the year ended 31 December 2014.

No diluted loss per share had been presented for the year ended 31 December 2013 as the Company had no potential ordinary shares outstanding during that year.

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.

	2014	2013
	RMB'000	*RMB'000*
Trade receivables	**7,199**	9,515
Less: allowance for doubtful debts	**(1,625)**	(502)
	5,574	9,013
Other receivables and deposits:		
Prepayments to suppliers	**806**	1,059
Payment on behalf of restaurants managed or serviced by the group	**207**	315
Other deposits	**2,713**	1,561
Others	**1,018**	984
Less: allowance for doubtful debts	**(151)**	(325)
	4,593	3,594
	10,167	12,607

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:

	2014	2013
	RMB'000	*RMB'000*
0-30 days	**2,470**	2,434
31-60 days	**533**	1,370
61-90 days	**683**	1,420
91-120 days	**565**	158
121-150 days	**174**	1
151-180 days	**87**	473
Over 180 days	**1,062**	3,157
	5,574	9,013

Included in the Group's trade receivable balances are debtors with an aggregate carrying amount of RMB1,888,000 as of 31 December 2014 (2013: RMB3,789,000), 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

	2014	2013
	RMB'000	*RMB'000*
91-120 days	**565**	158
121-150 days	**174**	1
151-180 days	**87**	473
Over 180 days	**1,062**	3,157
	1,888	3,789

Movement in the allowance for doubtful debts on trade receivables

	2014	2013
	RMB'000	*RMB'000*
At beginning of the year	**502**	–
Allowance for impairment losses recognised	**1,123**	502
At end of the year	**1,625**	502

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of approximately RMB1,625,000 (2013: RMB502,000) of which the debtors were in financial difficulties.

Movement in the allowance for doubtful debts on other receivables

	2014	2013
	RMB'000	*RMB'000*
At beginning of the year	**325**	146
Allowance for impairment losses recognised	**–**	179
Written off during the year	**(174)**	–
At end of the year	**151**	325

Included in the allowance for doubtful debts are individually impaired other receivables with an aggregate carrying amount of RMB151,000 (2013: RMB325,000) which was not settled before the due date and considered as uncollectable.

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:

	2014	2013
	RMB'000	*RMB'000*
Trade payables:		
0-30 days	**2,497**	3,058
31-60 days	**1,469**	1,344
61-90 days	**992**	1,490
91-180 days	**907**	488
Over 180 days	**729**	423
	6,594	6,803
Other payables:		
Accruals	**3,677**	1,987
Other payables	**6,662**	5,009
Employee benefits payable	**1,144**	1,086
Other taxes payable	**235**	717
	11,718	8,799
	18,312	15,602

MANAGEMENT DISCUSSION AND ANALYSIS

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the Current Year (Comparable Year: Nil).

BUSINESS REVIEW

For the Current Year, the Group recorded a revenue of RMB74.8 million, showing a decrease of 24.8%, as compared to RMB99.5 million for the Comparable Year. Operating margin remained at around 60% for both the Current Year and the Comparable Year. The decrease in revenue was mainly due to the effect of the deterioration of high-end consumption market in the PRC. Such deterioration also adversely affected the income generated from the provision of management services as loss was also recorded for restaurants that we provided services to. Loss attributable to owners of the Company for the Current Year was approximately HK$32.2 million, as compared with approximately HK$26.6 million of the Comparable Year. Basic loss per share for the Current Year was RMB11.3 cents, as compared to basic loss per share of RMB9.5 cents for the Comparable Year.

As at 31 December 2014, 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, and managed one restaurant in Dalian. We also operated restaurants in Ningbo and Shanghai, which are associates of the Group. In June 2014, the Group sold out all the interests held in the associate in Shanghai, named Bin Jiang Noble House Food and Beverage Co., Ltd to an independent third party. Apart from these restaurants, we operated a food trading company, named Shanghai Yin Jia Food Products Company Limited ("Yin Jia"), which was primarily established to provide food production services to the Group's restaurants. In addition, Yin Jia engaged in the trading of seafood and 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 and retail shops in Shanghai and Hong Kong.

The table below set forth a breakdown of the Group's revenue generated from operation of restaurants and their operating margin:

	Revenue *(RMB in million)* **Year ended 31 December**		**Operating margin*** **Year ended 31 December**	
	2014	2013	**2014**	2013
Noble House Xuhui Restaurant, Shanghai (上海徐匯店)	**16.3**	19.5	**67.5%**	63.8%
Noble House Pudong Restaurant, Shanghai (上海浦東店)	**14.9**	18.7	**63.0%**	63.5%
Noble House Restaurant, Radisson Hotel, Shanghai (上海新世界店)	**13.7**	17.4	**66.9%**	64.1%
Noble House Luwan Restaurant, Shanghai (上海盧灣店)	**4.8**	6.2	**67.2%**	65.5%
Noble House Restaurant at Hotel Nikko New Century Beijing (北京店)	**11.0**	13.0	**62.6%**	57.7%
Noble House Qingdao Restaurant (青島店)	**1.4**	4.7	**50.0%**	55.9%
Noble House Zhangjiang Restaurant, Shanghai (上海張江店)	**6.1**	7.1	**65.9%**	56.7%
	68.2	86.6		

* The calculation of operating margin is based on the 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 2014	Year ended 31 December 2013	**Year ended 31 December 2014**	Year ended 31 December 2013
Noble House Xuhui Restaurant, Shanghai (上海徐匯店)	140	978	**21,804**	23,434	**748**	832
Noble House Pudong Restaurant, Shanghai (上海浦東店)	146	800	**17,595**	21,436	**847**	872
Noble House Restaurant, Radisson Hotel, Shanghai (上海新世界店)	134	1,370	**29,730**	34,482	**461**	505
Noble House Luwan Restaurant, Shanghai (上海盧灣店)	85	781	**6,852**	7,563	**701**	820
Noble House Restaurant at Hotel Nikko New Century Beijing (北京店)	132	1,000	**15,168**	11,735	**725**	1,108
Noble House Qingdao Restaurant (青島店)	73	214	**2,509**	7,871	**558**	597
Noble House Zhangjiang Restaurant, Shanghai (上海張江店)	720	3,105	**154,710**	146,926	**39**	48

Compared to the Comparable Year, revenue from operation of restaurants for the Current Year decreased primarily due to the continuous decrease in number of customers visited and the decrease in average spending per customer. Such reduction in customer base and spending was mainly due to the effect of the issuance of a set of policies to promote frugality by the PRC government in February 2013.

Furthermore, the Group generated revenue from sales of processed goods of approximately RMB6.6 million, showing a significant decrease of RMB5.9 million, as compared to approximately RMB12.5 million for the Comparable Year. The sales was derived from Yin Jia which processed and supplied 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)" to the Group's restaurants and retail shops in Shanghai and Hong Kong. Such a decrease was mainly due to the effect of the deterioration of high-end consumption market in the PRC.

For management income, it represented management fee and VIP cards handling fee paid by franchised shops. It decreased from RMB0.4 million in the Comparable Year to nil in the Current Year as the performance of franchised shops was affected by the PRC government regulations in 2013.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately RMB24.7 million, or by approximately 24.8%, from approximately RMB99.5 million for the Comparable Year to approximately RMB74.8 million for the Current Year, which was mainly attributable to the decrease in revenue generated from operation of restaurants of approximately RMB18.4 million, decrease in sales of processed food and seafood of approximately RMB5.9 million, and decrease in management services fee received of approximately RMB0.4 million respectively.

Gross profit margin

Gross profit represents the revenue less cost of inventories consumed. The gross profit margin of the Group remained stable at around 60% for both the Comparable Year and the Current Year, which was primarily due to the effectiveness of the cost control policies against the inflated food costs in the PRC.

Other income

The Group's other income decreased by approximately RMB0.6 million, or by approximately 27.3%, from approximately RMB2.2 million in the Comparable Year to approximately RMB1.6 million in the Current Year. Such decrease was mainly due to the decrease in the PRC government subsidies for encouragement of business development of approximately RMB0.3 million and the decrease in interest income of approximately RMB0.3 million in the Current Year.

Other gains and losses

The Group recorded other losses of approximately RMB3.8 million in the Current Year while compared to approximately RMB9.7 million in the Comparable Year. One of the main reasons for such a decrease was due to the decrease in the impairment loss recognised on amounts due from associates of approximately RMB7.2 million.

Cost of inventories consumed

The Group's cost of inventories consumed decreased by approximately RMB11.6 million, or by approximately 28.9%, from approximately RMB40.1 million in the Comparable Year to approximately RMB28.5 million in the Current Year. The decrease was mainly due to the decrease in revenue which was partly offset by the rising of food prices.

Staff costs

The Group's staff costs increased by approximately RMB2.0 million, or by approximately 5.9%, from approximately RMB33.8 million in the Comparable Year to approximately RMB35.8 million in the Current Year. The increase in the staff costs was primarily due to the share-based payment expenses amounted to RMB8.3 million in connection with the grant of share options in order to provide an incentive to or as a reward for the grantees' contribution to the Group. If the non-recurring share-based payment expenses are not taken into account, the Group would record a decrease in staff costs of about 18.6% for the Current Year as compared to the Comparable Year. The decrease in the staff costs was primarily due to the decrease in the number of staffs in the Group under the cost control policies. The Group's headcount decreased from 442 in 2013 to 346 in 2014. As a percentage of the Group's revenue, staff costs increased from approximately 34.0% in the Comparable Year to approximately 47.8% in the Current Year primarily due to the result of the decrease in revenue in 2014.

Depreciation of property, plant and equipment

The Group's depreciation of property, plant and equipment remained stable at approximately RMB3.9 million in both the Current Year and the Comparable Year.

Utilities and consumables

Utilities and consumables decreased by approximately RMB0.1 million, or approximately 2.4%, from approximately RMB4.1 million in the Comparable Year to approximately RMB4.0 million in the Current Year. As a percentage of revenue, utilities and consumables slightly increased from approximately 4.1% in the Comparable Year to approximately 5.3% in the Current Year primarily due to the result of the decrease in revenue in the Current Year.

Rental and related expenses

Rental and related expenses decreased by approximately RMB0.5 million, or approximately by 2.4%, from approximately RMB21.1 million in the Comparable Year to approximately RMB20.6 million in the Current Year, which was mainly due to the implementation of cost control policies by the Group.

Advertising and marketing expenses

Advertising and marketing expenses decreased from approximately RMB2.0 million in the Comparable Year to approximately RMB1.0 million in the Current Year, which was mainly due to the implementation of cost control policies by the Group.

Other expenses

Other expenses, which included mainly professional fee, consultancy expenses and transportation expenses, decreased from approximately RMB13.2 million in the Comparable Year to approximately RMB12.5 million in the Current Year, which was mainly due to the implementation of cost control policies by the Group.

Income tax expense

The Group's income tax expense decreased by approximately RMB0.2 million, or 100%, from approximately RMB0.2 million in the Comparable Year to nil in the Current Year, as the Group had no estimated taxable profit during the Current Year.

Non-controlling interests

The loss attributable to non-controlling interests increased by RMB0.3 million from approximately RMB1.5 million for the Comparable Year to approximately RMB1.8 million for the Current Year. Such an increase was attributable to the increase in the operating loss incurred by the non wholly-owned subsidiaries in Beijing and Qingdao during the Current Year.

Prospects

Given that the established habits and patterns of consumption of fine-dining customers in the PRC changed rapidly, during the Current Year, the Group's operating income recorded a continuous decrease from that of the Comparable Year, which was mainly attributable to the introduction of policies by the PRC government to promote frugality, as well as fierce competition faced by the Group. We foresee a challenging business environment in the coming year, notwithstanding a number of initiatives have been introduced by us, including, amongst others, cost reduction and cost control, adjustments to the food trading business and a halt on opening new restaurants. Accordingly, the Group will pursue the following goals:

1. The Group has reshuffled its management personnel to further implement the above-mentioned measures, to review and restructure existing business, as well as to explore potential investment opportunities.

2. The Group has issued new shares at the end of 2014 to broaden its total asset base.

3. The Group has strived to identify businesses which can generate stable income.

4. The Group considered of diversifying its business, which includes actively seeking investment opportunities in various areas such as new energy resources, so as to broaden its source of finance.

5. The Group will from time to time consider all opportunities in fund raising in an attempt to broaden the Group's asset base and long-term prospects.

Liquidity and financial resources

Following the Company's initial public offering (the "IPO") in December 2011, the Group funds its liquidity and capital requirements by the net proceeds from IPO as well as internal resources.

As at 31 December 2014, cash and bank balances in general accounts maintained by the Group were approximately RMB37.2 million, representing an increase of 79.7% from approximately RMB20.7 million as at 31 December 2013, which was largely due to net proceeds of approximately RMB28.8 million received from the issuance of 56,000,000 new shares during the Current Year. Trade and other receivables and prepayments were approximately RMB10.2 million as at the end of the Current Year (31 December 2013: RMB12.6 million), which mainly represented a decrease in trade receivables. Trade and other payables and accruals have increased from approximately RMB15.6 million to approximately RMB18.3 million, which mainly represented an increase in accrual expenses. During the Current Year, there was an increase in amounts due to directors of approximately RMB5.1 million recorded in the Group's current liabilities. As a result of the abovementioned, the Group's current assets and current liabilities as at the end of the Current Year were approximately RMB58.6 million (31 December 2013: RMB44.6 million) and approximately RMB47.9 million (31 December 2013: RMB41.6 million) respectively. The Group has no bank borrowings as at 31 December 2014. The gearing ratio of the Group, measured as total debt to total equity, remained healthy at approximately

18.7% as at 31 December 2014 despite the increase from 0% as at 31 December 2013. At the end of the Current Year, the Group recorded net assets of approximately RMB24.6 million as compared with approximately RMB21.5 million as at 31 December 2013, the increase was partly due to the aforementioned issuance of new shares during the Current Year. During the Current Year, the Group financed its operations with the funds raised from the issuance of new shares as well as internal resources.

Capital Structure

The shares of the Company were listed on the GEM of the Stock Exchange on 30 December 2011. During the Current Year, a total of 56,000,000 ordinary shares at par value of HK$0.01 each were issued as a result of allotment of the placing shares pursuant to the placing agreement dated 20 November 2014. The aggregate gross proceeds and net proceeds from the issuance of new shares are approximately HK$28.9 million and HK$28.8 million respectively.

Foreign currency exposure

The business operations of the Group were principally based in the PRC and were not significantly exposed to foreign exchange risk. Foreign exchange risk arises from future commercial transaction and recognized assets and liabilities. While the Group would closely monitor the volatility of the Renminbi exchange rate, the Directors considered that the Group's risk exposure to foreign exchange rate fluctuation remained minimal currently. As at 31 December 2014, no forward foreign currency contracts are designated in hedging accounting relationships (2013: Nil).

Contingent Liabilities

As at 31 December 2014, the Group did not have any material contingent liabilities.

Material Acquisition and Disposal

The Group had no material acquisition and disposal of subsidiaries for both the Current Year and Comparable Year.

Further Plan for Material Investments or Capital Assets

As at 31 December 2014, the Group did not have any further plan for material investments or capital assets.

Pledge of Assets

As at 31 December 2014, the Group did not have any mortgage or charge over its assets.

Employment and Remuneration of Employees

As at 31 December 2014, the Group had approximately 342 staff in the PRC and 4 staff in Hong Kong. The Group recognizes the importance of human resources to its success, therefore qualified and experienced personnel are recruited for reviewing and restructuring our existing business, as well as exploring potential investment opportunities. 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 of the Company (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 has three members comprising all the independent non-executive Directors, namely, Mr. Lui Tin Nang (chairman), Ms. Ma Lee and Mr. Wang Zhi Zhong. The Group's annual report and results announcement for the year ended 31 December 2014 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 Audit 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 2014 except for the deviations for code provision C.1.2, A.6.7 and A.2.1 as explained below.

Financial Reporting

Under code provision C.1.2 of the Corporate Governance Code, 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 30 December 2011 (the "Listing Date") to 30 June 2014, the management provided quarterly updates to all Directors with quarterly consolidated financial statements of the Company's performance, position and prospects in sufficient detail at the regular Board meetings. Starting from the month of July 2014, the management began providing monthly updates with monthly consolidated financial statements of the Company's performance, position and prospects in sufficient detail to all members of the Board, thereby complying with code provision C.1.2 of the Corporate Governance Code.

Directors' Attendance

Under code provision A.6.7, independent non-executive Directors should attend general meetings and develop a balanced understanding of the views of shareholders (the "Shareholders") of the Company. Due to other unavoidable business engagement, one of independent non-executive Directors was unable to attend the Company's annual general meeting held on 9 May 2014.

Chairman and Chief Executive Officer

In accordance with code provision A.2.1 of the Corporate Governance Code, the roles of chairman (the "Chairman") and chief executive officer (the "CEO") of the Company should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and the CEO should be clearly established and set out in writing. During the period from the Listing Date to 3 October 2014, Mr. Chan Tai Neng was concurrently the Chairman and the CEO. Mr. Chan Tai Neng resigned as the Chairman and CEO with effect from 3 October 2014, while continuing to serve the Company as an executive Director. On the same date, the Board appointed Ms. Lin Min, Mindy as Chairman and Mr. Chan Wing Yuen, Hubert as CEO. The Chairman is responsible for leading the Board in the determination of the Group's strategy and in achievement of its objectives. The CEO is in charge of managing the Group on a day-to-day basis and is accountable to the Board for the financial and operational performance of the Group. Since making the abovementioned appointments on 3 October 2014, the Group has thereby complied with code provision A.2.1 of the Corporate Governance Code.

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 2014.

Purchase, Sale or Redemption of Listed Securities

For the year ended 31 December 2014, 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.

By Order of the Board
Noble House (China) Holdings Limited
Chan Wing Yuen, Hubert
Chief Executive Officer and Executive Director

Hong Kong, 16 March 2015

As at the date of this announcement, the executive Directors are Ms. Lin Min, Mindy, Mr. Chan Wing Yuen, Hubert, Ms. Kwong Wai Man, Karina and Mr. Chan Tai Neng; and the independent non-exective Directors are Mr. Lui Tin Nang, Ms. Ma Lee and Mr. Wang Zhi Zhong.

This announcement will remain on the GEM website at www.hkgem.com and, in the case of this announcement, on the "Latest Company Announcements" page for at least 7 days from the date of its posting. This announcement will also be published on the Company's website at www.8246hk.com