



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 INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2015**

**CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE
STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

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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.

FINANCIAL HIGHLIGHTS

- The revenue of the Company and its subsidiaries (collectively, the “Group”) amounted to RMB34.9 million for the six months ended 30 June 2015 (the “Current Period”) which represented a decrease of RMB2.6 million or 6.9% as compared with the six months ended 30 June 2014 (the “Corresponding Period”).
- The loss and total comprehensive expense attributable to the owners of the Company was RMB11.8 million for the Current Period and RMB13.5 million for the Corresponding Period.
- Basic loss per share for the Current Period amounted to RMB3.4 cents (the Corresponding Period: RMB4.8 cents).

	Six months ended		
	30.6.2015	30.6.2014	Decrease
	<i>RMB</i>	<i>RMB</i>	
	<i>(in million)</i>	<i>(in million)</i>	
Revenue	34.9	37.5	(6.9%)
Gross Profit ⁽¹⁾	20.4	22.7	(10.1%)
Loss and total comprehensive expense attributable to the owners of the Company	11.8	13.5	(12.6%)
Gross profit margin ⁽²⁾	<u>58.5%</u>	<u>60.5%</u>	<u></u>

Notes:

- (1) The calculation of gross profit is based on revenue minus cost of inventories consumed.
- (2) The calculation of gross profit margin is based on gross profit divided by revenue and multiplied by 100%.

UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS

The Board of Directors (the “Board”) of the Company is pleased to announce the unaudited condensed consolidated results of the Group for the three months and six months ended 30 June 2015 together with the unaudited comparative figures for the three months and six months ended 30 June 2014 as follow:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015

		Three months ended		Six months ended	
		30.6.2015	30.6.2014	30.6.2015	30.6.2014
	Notes	RMB'000	RMB'000	RMB'000	RMB'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	3	18,634	18,229	34,892	37,538
Other income	4	911	338	915	351
Other gains and losses	5	(132)	(2,252)	(873)	(2,252)
Cost of inventories consumed		(8,462)	(7,301)	(14,528)	(14,817)
Staff cost		(6,427)	(6,405)	(13,684)	(13,344)
Depreciation of property, plant and equipment		(900)	(1,287)	(1,780)	(2,037)
Utilities and consumables		(780)	(952)	(1,680)	(1,977)
Rental and related expenses		(4,142)	(4,428)	(8,580)	(9,502)
Advertising and marketing expenses		(197)	(148)	(383)	(294)
Other expenses		(2,732)	(2,544)	(5,154)	(5,058)
Loss on liquidation of a subsidiary	6	(865)	–	(865)	–
Impairment loss recognised on inventories		–	(826)	(161)	(826)
Impairment loss recognised in respect of amount due from an associate		(158)	(1,906)	(158)	(1,906)
Share of results of associates		–	369	–	(343)
Loss before tax		(5,250)	(9,113)	(12,039)	(14,467)
Income tax expense	7	–	(13)	–	(55)
Loss and total comprehensive expense for the period		<u>(5,250)</u>	<u>(9,126)</u>	<u>(12,039)</u>	<u>(14,522)</u>
Loss and total comprehensive expense attributable to:					
– the owners of the Company		(5,099)	(8,429)	(11,813)	(13,516)
– non-controlling interest		(151)	(697)	(226)	(1,006)
		<u>(5,250)</u>	<u>(9,126)</u>	<u>(12,039)</u>	<u>(14,522)</u>
Loss per share (RMB), basic	8	<u>(0.015)</u>	<u>(0.030)</u>	<u>(0.034)</u>	<u>(0.048)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	Notes	30.6.2015 RMB'000 (unaudited)	31.12.2014 RMB'000 (audited)
Non-current assets			
Property, plant and equipment	10	9,818	11,849
Rental deposits		1,961	2,068
Interest in an associate	11	–	–
Amount due from an associate	12	–	–
		<u>11,779</u>	<u>13,917</u>
Current assets			
Inventories		7,819	11,260
Trade and other receivables	13	13,375	10,167
Bank balances and cash		89,269	37,207
		<u>110,463</u>	<u>58,634</u>
Current liabilities			
Trade and other payables	14	14,098	18,312
Prepayment from customers		18,625	20,408
Amounts due to directors		2,735	5,104
Tax liabilities		4,278	4,081
		<u>39,736</u>	<u>47,905</u>
Net current assets		<u>70,727</u>	<u>10,729</u>
Total assets less current liabilities		<u>82,506</u>	<u>24,646</u>
Capital and reserves			
Share capital	15	3,470	2,735
Reserves		80,335	24,619
		<u>83,805</u>	<u>27,354</u>
Equity attributable to owners of the Company		(1,299)	(2,708)
Non-controlling interests			
Total equity		<u>82,506</u>	<u>24,646</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

	Attributable to owners of the Company					Non-		Total
	Share capital	Share premium	Share option reserve	Accumulated losses	Special reserve	Total	controlling interests	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2014 (audited)	2,291	31,076	–	(11,464)	528	22,431	(901)	21,530
Loss and total comprehensive expense recognised for the period	–	–	–	(13,516)	–	(13,516)	(1,006)	(14,522)
At 30 June 2014 (unaudited)	<u>2,291</u>	<u>31,076</u>	<u>–</u>	<u>(24,980)</u>	<u>528</u>	<u>8,915</u>	<u>(1,907)</u>	<u>7,008</u>
At 1 January 2015 (audited)	2,735	59,450	8,348	(43,707)	528	27,354	(2,708)	24,646
Loss and total comprehensive expense recognised for the period	–	–	–	(11,813)	–	(11,813)	(226)	(12,039)
Exercise of share options (note 15)	104	12,137	(3,797)	–	–	8,444	–	8,444
Issue of new shares (note 15)	631	59,353	–	–	–	59,984	–	59,984
Cost of issuing new shares	–	(164)	–	–	–	(164)	–	(164)
Liquidation of a subsidiary (note 6)	–	–	–	–	–	–	1,635	1,635
At 30 June 2015 (unaudited)	<u>3,470</u>	<u>130,776</u>	<u>4,551</u>	<u>(55,520)</u>	<u>528</u>	<u>83,805</u>	<u>(1,299)</u>	<u>82,506</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

	Six months ended	
	30.6.2015	30.6.2014
	RMB'000	RMB'000
	(unaudited)	(unaudited)
OPERATING ACTIVITIES		
Cash used in operations	(13,461)	(6,141)
Income tax refunded (paid)	197	(86)
	<u> </u>	<u> </u>
Net cash used in operating activities	(13,264)	(6,227)
	<u> </u>	<u> </u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(569)	(68)
Advance to associates	–	(182)
Proceeds from disposal of an associate	–	200
Other investing activities items	–	32
	<u> </u>	<u> </u>
Net cash used in investing activities	(569)	(18)
	<u> </u>	<u> </u>
FINANCING ACTIVITIES		
Proceeds from issuance of new shares	68,428	–
Repayment of advances from directors	(2,369)	–
Cost of issuing new shares	(164)	–
	<u> </u>	<u> </u>
Net cash generated from financing activities	65,895	–
	<u> </u>	<u> </u>
Net increase (decrease) in cash and cash equivalents	52,062	(6,245)
Cash and cash equivalents at the beginning of the period	37,207	20,730
	<u> </u>	<u> </u>
Cash and cash equivalents at the end of the period, represented by bank balances and cash	89,269	14,485
	<u> </u>	<u> </u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 (IAS 34), Interim Financial Reporting as well as with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”).

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

Except as disclosed below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2014.

In the current interim period, the Group has applied, for the first time, the following new Interpretation and amendments to International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standard Board that are relevant for the preparation of the Group’s condensed consolidated financial statements:

Amendments to IAS 19	Defined Benefit Plans: Employee Contributions
Amendments to IFRSs	Annual Improvements to IFRSs 2010 – 2012 Cycle
Amendments to IFRSs	Annual Improvements to IFRSs 2011 – 2013 Cycle

The application of the above new or revised IFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

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 ¹
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations ³
Amendments to IAS 1	Disclosure Initiative ³
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ³
Amendments to IFRSs	Annual Improvements to IFRSs 2012 – 2014 Cycle ³
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants ³
Amendments to IAS 27	Equity Method in Separate Financial Statements ³
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception ³

- 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 2016

The Directors of the Company do not anticipate that the application of these will have a material effect on the Group's condensed consolidated financial statements.

3. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by reportable and operating segments:

Segment information is presented below.

Six months ended 30 June 2015

	Shanghai	Beijing	Qingdao	Hong Kong	Segment total	Eliminations	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
REVENUE							
External sales	29,744	5,148	–	–	34,892	–	34,892
Inter-segment management service fee and sales of processed food	2,623	–	–	–	2,623	(2,623)	–
Total	32,367	5,148	–	–	37,515	(2,623)	34,892
RESULT							
Segment result	(4,840)	(1,084)	(885)	(974)	(7,783)		(7,783)
Unallocated corporate expenses							(4,098)
Impairment loss recognised in respect of amount due from an associate							(158)
Loss before tax							(12,039)

Six months ended 30 June 2014

	Shanghai	Beijing	Qingdao	Hong Kong	Segment total	Eliminations	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
REVENUE							
External sales	30,983	5,374	1,012	169	37,538	–	37,538
Inter-segment management service fee and sales of processed food	<u>4,291</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>4,291</u>	<u>(4,291)</u>	<u>–</u>
Total	<u>35,274</u>	<u>5,374</u>	<u>1,012</u>	<u>169</u>	<u>41,829</u>	<u>(4,291)</u>	<u>37,538</u>
RESULT							
Segment result	<u>(6,873)</u>	<u>(1,847)</u>	<u>(529)</u>	<u>(1,351)</u>	<u>(10,600)</u>		(10,600)
Unallocated corporate expenses							(1,818)
Gain on disposal of an associate							200
Impairment loss recognised in respect of amounts due from associates							(1,906)
Share of results of associates							<u>(343)</u>
Loss before tax							<u>(14,467)</u>

4. OTHER INCOME

	Three months ended		Six months ended	
	30.6.2015	30.6.2014	30.6.2015	30.6.2014
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Interest income	3	20	7	32
Imputed interest income on advances granted to associates	158	318	158	319
Government subsidy (<i>note</i>)	<u>750</u>	<u>–</u>	<u>750</u>	<u>–</u>
	<u>911</u>	<u>338</u>	<u>915</u>	<u>351</u>

Note: During the six months period ended 30 June 2015, a PRC subsidiary received RMB750,000 (2014: nil) 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

	Three months ended		Six months ended	
	30.6.2015	30.6.2014	30.6.2015	30.6.2014
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Allowance for doubtful debts	–	1,774	–	1,774
Gain on disposal of an associate	–	(200)	–	(200)
Write off of other receivables	–	676	–	676
Write off of property, plant and equipment	–	–	820	–
Exchange loss	132	2	53	2
	<u>132</u>	<u>2</u>	<u>53</u>	<u>2</u>
	<u>132</u>	<u>2,252</u>	<u>873</u>	<u>2,252</u>

6. LOSS ON LIQUIDATION OF A SUBSIDIARY

During the current interim period, the Group liquidated Qingdao Noble House Food and Beverage Co., Ltd. (青島名軒樓餐飲有限公司) (“Noble House Qingdao”), a non-wholly owned subsidiary of the Company, which engaged in the operation of a restaurant. The liquidation was completed on 29 June 2015, on which date the Group lost control of Noble House Qingdao.

The net liabilities of Noble House Qingdao at the date of liquidation were as follows:

	<i>RMB'000</i>
Net liabilities liquidated	(3,270)
Less: non-controlling interest portion	<u>1,635</u>
	(1,635)
Assets and liabilities written off during liquidation:	
– amounts due from group companies	3,005
– amounts due to group companies	<u>(505)</u>
Loss on liquidation	<u>865</u>

7. INCOME TAX EXPENSE

	Three months ended		Six months ended	
	30.6.2015	30.6.2014	30.6.2015	30.6.2014
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Enterprise income tax in the PRC				
Current tax	<u>—</u>	<u>13</u>	<u>—</u>	<u>55</u>

Hong Kong

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit. No Hong Kong Profits Tax has been made as the Group's subsidiaries which operating in Hong Kong have incurred tax losses in both periods.

PRC

PRC subsidiaries located in Beijing, Shanghai and Qingdao were subject to PRC Enterprise Income Tax at a rate of 25% for the six months ended 30 June 2015 and 2014.

8. LOSS PER SHARE

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

	Three months ended		Six months ended	
	30.6.2015	30.6.2014	30.6.2015	30.6.2014
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Loss for the period attributable to owners of the Company for the purpose of basic loss per share	<u>(5,099)</u>	<u>(8,429)</u>	<u>(11,813)</u>	<u>(13,516)</u>
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>349,886,000</u>	<u>280,000,000</u>	<u>345,315,000</u>	<u>280,000,000</u>

The computation of the diluted loss per share for the period ended 30 June 2015 does not assume the conversion of the Company's outstanding share options since their exercise would result in a decrease in loss per share.

No diluted loss per share had been presented for prior period ended 30 June 2014 as the Company had no potential ordinary shares outstanding during that period.

9. DIVIDENDS

No dividends were paid, declared or proposed during the six months ended 30 June 2015 and 30 June 2014. The Directors of the Company have determined that no dividend will be paid in respect of the six months ended 30 June 2015 and 30 June 2014.

10. PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group acquired property, plant and equipment amounting to approximately RMB569,000 (six months ended 30 June 2014: approximately RMB68,000) for the purpose of the Group's operation. In addition, the Group wrote off property, plant and equipment amounting to approximately RMB820,000 (six months ended 30 June 2014: nil) due to write off of property, plant and equipment of a retail outlet in Hong Kong.

11. INTEREST IN AN ASSOCIATE

	30.6.2015 RMB'000 (unaudited)	31.12.2014 RMB'000 (audited)
Cost of unlisted investment in an associate	400	400
Deemed capital contribution (<i>note</i>)	1,705	1,705
Share of post-acquisition losses	(2,105)	(2,105)
	—	—

Note: Deemed capital contribution represents the imputed interest on interest-free loans to an associate, Dong Hai Noble House Food and Beverage Co., Ltd. ("Dong Hai Noble House").

12. AMOUNT DUE FROM AN ASSOCIATE

	30.6.2015 RMB'000 (unaudited)	31.12.2014 RMB'000 (audited)
Dong Hai Noble House - non-trade (<i>note (a)</i>)	7,579	7,421
Less: Impairment loss recognised (<i>note (b)</i>)	(7,579)	(7,421)
	—	—

Notes:

- (a) As at 30 June 2015 and 31 December 2014, the amount represents advances to finance the operation of Dong Hai Noble House and is unsecured, interest free and has no fixed repayment terms. Imputed interest is computed at 5.89% (2014: 5.89%) per annum. The management of the Group considered the amount will not be settled within the next 12 months, and thus classified it as non-current asset.
- (b) During the current interim period, as the results of Dong Hai Noble House did not meet management's expectation, the Directors of the Company reassessed the timing and estimates of the cash flows from the repayment of the advance to the associate and discounted them at the original effective interest rate of the advance. An impairment loss of RMB158,000 was recognised in profit or loss for current period (six months ended 30 June 2014: RMB1,906,000).

13. TRADE AND OTHER RECEIVABLES

Generally, there was no credit period for sales from operation of restaurants and stores for processed food and seafood, except for certain well established, corporate customers for which the credit terms are up to 90 days.

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

	30.6.2015 RMB'000 (unaudited)	31.12.2014 <i>RMB'000</i> (audited)
Trade receivables:		
0 – 30 days	1,163	2,470
31 – 60 days	339	550
61 – 90 days	213	692
91 – 120 days	233	577
121 – 150 days	112	174
151 – 180 days	155	87
Over 180 days	3,353	2,649
Less: allowance for doubtful debts for trade receivables	<u>(1,625)</u>	<u>(1,625)</u>
	<u>3,943</u>	<u>5,574</u>
Other receivables and deposits:		
Prepayments to suppliers	4,592	806
Payment on behalf of restaurants managed or serviced by the Group	244	207
Other deposits	3,314	2,713
Others	1,433	1,018
Less: allowance for doubtful debts for other receivables	<u>(151)</u>	<u>(151)</u>
	<u>9,432</u>	<u>4,593</u>
	<u>13,375</u>	<u>10,167</u>

14. TRADE AND OTHER PAYABLES

The following is an ageing analysis of the Group's trade payables based on invoice date:

	30.6.2015	31.12.2014
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
Trade payables:		
0 – 30 days	1,112	2,497
31 – 60 days	812	1,469
61 – 90 days	584	992
91 – 180 days	830	907
Over 180 days	2,114	729
	5,452	6,594
Other payables:		
Accruals	1,428	3,677
Other payables	6,146	6,662
Employee benefits payable	628	1,144
Other tax payable	444	235
	8,646	11,718
	14,098	18,312

15. SHARE CAPITAL

	Number of shares ‘000	Share capital HK\$’000 RMB’000	
Authorised			
At 1 January 2014, 30 June 2014, 1 January 2015 and 30 June 2015			
– Ordinary shares of HK\$0.01 each	<u>8,000,000</u>	<u>80,000</u>	
Issued and fully paid			
At 1 January 2014 and 30 June 2014			
– Ordinary shares of HK\$0.01 each	<u>280,000</u>	<u>2,800</u>	<u>2,291</u>
At 1 January 2015			
– Ordinary shares of HK\$0.01 each	336,000	3,360	2,735
– Exercise of share options (<i>note 1</i>)	13,160	132	104
– Issue of new shares (<i>note 2</i>)	<u>80,000</u>	<u>800</u>	<u>631</u>
At 30 June 2015	429,160	4,292	3,470

Notes:

- During the six-months period ended 30 June 2015, an aggregate of 13,160,000 new shares were issued upon the exercise of share options at an exercise price of HK\$0.81 per option.
- On 16 April 2015, the Company entered into the subscription agreement with the subscriber for the subscription of an aggregate of 80,000,000 new shares for an aggregate consideration of HK\$76,000,000 (equivalent to approximately RMB59,984,000) at the subscription price of HK\$0.95 per subscription share. The subscription was completed on 30 June 2015.

The aggregate net proceeds from the issuance of new shares is HK\$75,791,000 (equivalent to approximately RMB59,820,000) and the Company intended to use the net proceeds arising from the subscription (i) as to HK\$25,500,000 (equivalent to approximately RMB20,127,000) for any potential investment opportunities as identified by the Group and (ii) as to HK\$50,291,000 (equivalent to approximately RMB39,693,000) as general working capital of the Group.

16. COMMITMENT

	30.6.2015	31.12.2014
	RMB'000	RMB'000
	(unaudited)	(audited)
Capital expenditure authorised but not contracted for in the condensed consolidated financial statements		
– acquisition of a property (<i>Note</i>)	<u>4,960</u>	<u>–</u>

Note: Pursuant to the Company's announcement dated 2 April 2015, the Company and the Vendor, being a company indirectly wholly-owned by Mr. Hu Yishi (being the spouse of Ms. Lin Min, Mindy, the Chairman, an executive Director and a substantial shareholder of the Company) entered into a sale and purchase agreement pursuant to which the Company agreed to procure purchase by its subsidiary of, and the Vendor agreed to sell, the property located in Shanghai, the PRC (the "Property"), at the aggregate consideration of RMB4,960,000 (equivalent to approximately HK\$6,263,000).

Based on the information available to the Company, the Property is situated in Jing An District of Shanghai, the PRC, and is leased out for office use as at the date of the announcement. The sale and purchase of the Property pursuant to the sale and purchase agreement is not subject to any condition. Delivery of the Property is to take place within 7 days after the Group's inspection of the Property, which in turn shall take place on or before 31 August 2015.

17. RELATED PARTY TRANSACTIONS

During the period, the Group entered into the following transactions with the related party:

		30.6.2015	30.6.2014
Name of related party	Nature of transaction	RMB'000	RMB'000
		(unaudited)	(unaudited)
Dong Hai Noble House	Sales of processed food	70	159
	Handling fee income on VIP cards	<u>22</u>	<u>25</u>

18. EVENTS AFTER THE REPORTING PERIOD

Pursuant to the Company's announcement dated 17 July 2015, the Company had the following events after the reporting period:

- (a) On 17 July 2015, Northern New Energy Development Limited (the "Northern New Energy"), an indirectly wholly-owned subsidiary of the Company set up on 22 June 2015, entered into a joint venture agreement (the "JV Agreement") with an independent third party, 天津新平潤馳工貿有限公司 (the "Tianjin Xinping Runchi") in relation to the establishment of a sino-foreign equity joint venture enterprise under the laws of the PRC (subject to the approval of the relevant PRC authorities) (the "JV Company"). The proposed name of the JV Company is Northern New Energy Development (Tianjin) Limited and it will principally engage in, among other things, new energy development, research on its relevant technologies and construction business. The JV Company will be located at Binhai Science Park, Binhai New Area, Tianjin, the PRC.

The total investment is RMB18 million which will be contributed by the parties in the form of registered capital. Northern New Energy shall contribute 90% of the registered capital of the JV Company for a cash consideration of RMB16.2 million and Tianjin Xinping Runchi shall contribute 10% of the registered capital of the JV Company for a cash consideration of RMB1.8 million. The capital contribution from the Northern New Energy will be funded by internal resources of the Company.

The term of operation of the JV Company will be 15 years from the date of the issue of its business license. The JV Agreement will, after being agreed and signed by the parties, become effective on the day on which all necessary approvals and consents from the relevant PRC governmental and regulatory authorities have been obtained. Up to the date of this announcement, the JV Company is yet to be formed.

- (b) The Board proposed to change the English name of the Company from "Noble House (China) Holdings Limited" to "Northern New Energy Holdings Limited" and, to adopt "北方新能源控股有限公司" as the new dual foreign name of the Company to replace "名軒（中國）控股有限公司" (the "Change of Company Name").

The proposed Change of Company Name will be subject to the following conditions:

- (i) the passing of a special resolution by the Shareholders of the Company at an extraordinary general meeting to approve the Change of Company Name; and
- (ii) the Registrar of Companies in Cayman Islands (the "Registrar of Companies") approving the Change of Company Name.

Subject to the satisfaction of the above conditions, the new English name and dual foreign name of the Company will take effect on the date of issue of the Certificate of Incorporation on Change of Name by the Registrar of Companies in the Cayman Islands. The Company will carry out all necessary registration and/or filing procedures with the Registrar of Companies in the Cayman Islands and the Companies Registry in Hong Kong. Up to the date of this announcement, the proposed change of name is yet to complete.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

As at 30 June 2015, we owned and operated six restaurants under the Group's own brand name "Noble House (名軒)" across different regions in the PRC, including Shanghai and Beijing. We also operated restaurants in Ningbo which is an associate of the Group. In June 2015, the Group closed down an underperformed restaurant in Qingdao. Apart from these restaurants, we operated a food trading company, 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. Given that the changing habits and consumption pattern of prestige customers in the PRC and "frugality" culture promoted by the PRC government, the Group's operating income recorded a continuous decrease compared with the Corresponding Period.

The Group strived for businesses which can generate stable income. On 2 April 2015, the Company and 順盈貿易(上海)有限公司 (Sun Profit Trading (Shanghai) Limited (the "Vendor"), being a company indirectly wholly-owned by Mr. Hu Yishi (being the spouse of Ms. Lin Min, Mindy, the Chairman, an executive Director and a substantial shareholder of the Company) entered into a sale and purchase agreement pursuant to which the Company agreed to procure purchase by its subsidiary of, and the Vendor agreed to sell, the property at the aggregate consideration of RMB4,960,000 (equivalent to approximately HK\$6,263,000). The property is located at Room 609, No. 1701 Beijing Road West, Jing An District, Shanghai, the PRC. The property is an office unit on 6th floor of a 30-storey office building completed in about 2005 situated at Jing An District. Its gross floor area of approximately 125.54 sq.m. The land use rights of the property was granted for office use until 27 September 2052. A wholly Foreign-Owned Enterprise was established in July 2015 and it will be used to hold the property. However, up to the date of this announcement, the sale and purchase transaction has not been completed yet.

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

On 28 November 2014, the Company was successfully placed 56,000,000 shares to four subscribers (the “First Placing”), please referred to the announcement published on 20 November 2014 for more details. The net proceeds from the First Placing amounted to HK\$36,358,000 (equivalent to RMB28,818,000) was intended to be applied as general working capital of the Group. As at 30 June 2015, HK\$13,400,000 (equivalent to approximately RMB10,593,000) has been used as general working capital of the Group and the remaining net proceeds has not been utilised and remained for the intended use.

On 16 April 2015, the Company entered into another subscription agreement with a subscriber for the subscription of 80,000,000 new shares for the consideration of HK\$76,000,000 (equivalent to approximately RMB59,984,000) at the subscription price of HK\$0.95 per subscription share (the “Second Placing”). The Second Placing was completed on 30 June 2015. Please referred to the announcement published on 16 April 2015 for more details. The net proceeds from the issuance of new shares was HK\$75,791,000 (equivalent to approximately RMB59,820,000) and the Company intended to use the net proceeds arising from the Second Placing (i) as to HK\$25,500,000 (equivalent to approximately RMB20,127,000) for any potential investment opportunities as identified by the Group and (ii) as to HK\$50,291,000 (equivalent to approximately RMB39,693,000) as general working capital of the Group. As at 30 June 2015, the net proceeds has not been utilised and remained for the intended use.

FINANCIAL REVIEW

Revenue

During the Current Period, the Group recorded an unaudited turnover of RMB34,892,000, showing a decrease of 6.9% from RMB37,538,000 in the Corresponding Period. The decrease in revenue was mainly due to the continuous deterioration of financial performance of high-end catering industry in the PRC. Revenue from operation of restaurants for the Current Period was RMB29,853,000 showing a decrease by RMB5,575,000, or by 15.7% from RMB35,428,000 for the Corresponding Period. Such deterioration also adversely affected revenue generated from the provision of management services to restaurants. Revenue generated from the provision of management services also decreased from RMB26,000 for the Corresponding Period to Nil for the Current Period. Given that the Group will no longer receive any management service income, we foresee a challenging business environment in the coming future.

Sales of processed goods registered an increase by RMB2,955,000 from RMB2,084,000 in the Corresponding Period to RMB5,039,000 for the Current Period. That increase was derived from the sales of processed 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)".

Gross profit margin

Gross profit represents revenue less cost of inventories consumed. The gross profit margin of the Group slightly decreased from 60.5% for the Corresponding Period to 58.5% for the Current Period. Although there was an increase in sales of processed supplemental food products, however, those products were having lower gross margin which dragged down the overall gross profit margin of the Group.

Other gains or losses

The Group recorded other losses of RMB873,000, which mainly derived from loss on write off of property, plant and equipment of a retail outlet in Hong Kong amounted to RMB820,000.

Cost of inventories consumed

The Group's cost of inventories consumed slightly decreased by RMB289,000, or by 2.0%, from RMB14,817,000 in the Corresponding Period to RMB14,528,000 in the Current Period. This decrease was mainly due to the continuous effect of the Group's effective cost control policies by the Group.

Staff cost

The Group maintained stable staff cost of RMB13,684,000 in the Current Period as compared with the Corresponding Period in the amount of RMB13,344,000. The staff cost to revenue increased from 35.5% in the Corresponding Period to 39.2% in Current Period primarily due to the decrease in revenue for the Current Period.

Depreciation of property, plant and equipment

Depreciation of property, plant and equipment decreased by RMB257,000, or by 12.6%, from RMB2,037,000 in the Corresponding Period to RMB1,780,000 in the Current Period. The decrease was mainly due to the effect of write off of property, plant and equipment of an underperformed retail outlet in Hong Kong.

Utilities and consumables

Utilities and consumables decreased by RMB297,000, or by 15.0%, from RMB1,977,000 in Corresponding Period to RMB1,680,000 in Current Period. Utilities and consumables to revenue slightly decreased from 5.3% in the Corresponding Period to 4.8% in the Current Period, which is mainly due to diminishing usage of utilities.

Rental and related expenses

Rental and related expenses decreased by RMB922,000, or by 9.7%, from RMB9,502,000 in the Corresponding Period to RMB8,580,000 in the Current Period, which was mainly due to the decrease in rental payment of certain rental agreements.

Advertising and marketing expenses

Advertising and marketing expenses amounted to RMB383,000 and RMB294,000 in the Current Period and the Corresponding Period respectively, mainly because of the implementation of cost control policies and recent market environment.

Other expenses

Other expenses keep stable at RMB5,100,000 for the Current Period and the Corresponding Period, primarily due to the implementation of effective cost control policies.

Income tax expenses

Income tax expenses decreased by RMB55,000, or 100%, from RMB55,000 for the Corresponding Period to Nil for the Current Period, as the Group had no taxable profit during the Current Period.

Non-controlling interests

The loss attributable to non-controlling interests decreased by RMB780,000 from RMB1,006,000 for the Corresponding Period to RMB226,000 for the Current Period. Such a decrease was due to the close down of a non wholly-owned subsidiary in Qingdao, and the decrease in operating loss recorded by another non wholly-owned subsidiary in Beijing during the Current Period.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2015, bank balances and cash maintained by the Group were RMB89.3 million, representing an increase of 140.0% from RMB37.2 million as at 31 December 2014, which was largely due to the net proceeds of RMB68.3 million received from the issuance of 93,160,000 new shares during the Current Period. Trade and other receivables were RMB13.4 million as at 30 June 2015 (31 December 2014: RMB10.2 million), which mainly represented an increase in prepayments to suppliers. Trade and other payables decreased from RMB18.3 million to RMB14.1 million, which mainly represented the settlement in trade payable and accrual expenses. During the Current Period, there was a decrease of RMB2.4 million in the amounts due to Directors from RMB5.1 million to RMB2.7 million in the Group's current liabilities. As a result, the Group's current assets and current liabilities as at 30 June 2015 were RMB110.5 million and RMB39.7 million (31 December 2014: RMB58.6 million and RMB47.9 million) respectively.

The Group has no bank borrowings as at 30 June 2015. The gearing ratio of the Group, measured as total debt to total equity, decreased to 3.3% as at 30 June 2015 (31 December 2014: 18.7%). The Group recorded net assets of RMB82.5 million as at 30 June 2015 compared with RMB24.6 million as at 31 December 2014, the increase was mainly due to the issuance of new shares during the Current Period. During the Current Period, the Group financed its operations with the funds raised from the issuance of new shares as well as its internal resources.

PROSPECTS

In recent years, given that the changing habits and consumption pattern of fine-dining customers in the PRC, and “frugality” culture promoted by the PRC government, the fine-dining catering industry continued to face severe challenges. To address such challenges, the Group has introduced a number of targeted measures, including cost reduction and cost control, adjustments to the food trading business and a halt on opening new restaurants. In addition, the management has actively explored new potential projects in order to diversify business risk as well as broaden income source, thereby broadening the asset base of the Group and maintaining its long-term prospects.

In March 2015, the Ministry of Industry and Information Technology of the PRC has issued the Implementation Program for Special Action to Maintain Green Development for the Industry for 2015, which expressly indicated that the coal consumption for the country must be reduced by more than four million tonnes by the end of this year. The Ministry of Environmental Protection of the PRC previously anticipated that the country would be able to excel the target of the “Twelfth Five-Year Plan” for emission reduction in the first half of this year. Given that the PRC government has actively implemented a series of policies emphasizing environmental

protection, energy saving, emission reduction and promotion of clean energy as an alternative to pollution sources, the Group considered that the demand for new energy development in the future will bring huge opportunities to the entire market, and therefore decided to devote resources to develop the new energy business.

In July 2015, Northern New Energy Development Limited (the “Northern New Energy”), an indirectly wholly-owned subsidiary of the Company entered into a joint venture agreement (the “JV Agreement”) with 天津新平潤馳工貿有限公司 (the “Tianjin Xinping Runchi”), pursuant to which the parties will set up a sino-foreign equity joint venture enterprise (the “JV Company”) in the PRC, which will principally engage in new energy development, research on its relevant technologies and construction business. The extensive network of Tianjin Xinping Runchi in the PRC is beneficial to the business development of the Group. Furthermore, the Group will adopt “Northern New Energy Holdings Limited” as the new name of the Company. It is considered that the new name will provide the Group with a new corporate image and will better reflect the Group’s future business development.

Looking forward, with the increase in market share, the Group will take the initiative to leverage on the recognized patent technologies and relevant experience so as to further develop and utilize new energies and their related areas, and launch products that meet market needs in other sectors, which in turn will further establish a new milestone for the Group. As for catering business, the Group will pay close attention to market conditions and deploy corporate resources in a flexible manner to achieve greater effectiveness. The management believed that the Group is able to seize and create more growth momentums, which will eventually maximize the shareholders’ values.

CAPITAL STRUCTURE

Exercise of share options

The shares of the Company were listed on the GEM of the Stock Exchange on 30 December 2011. During the Current Period, 13,160,000 shares were allotted pursuant to the exercise of share options with exercise price of HK\$0.81 granted on 25 November 2014.

Placing of shares

On 28 November, 2014, the First Placing was completed. The net proceeds from the First Placing amounted to HK\$36,358,000 (equivalent to RMB28,818,000) was intended to be applied as general working capital of the Group. As at 30 June 2015, HK\$13,400,000 (equivalent to approximately RMB10,593,000) has been used as general working capital of the Group and the remaining net proceeds has not yet been utilised and remained for the intended use.

On 30 June 2015, a total of 80,000,000 ordinary shares at par value of HK\$0.01 each had been allotted and issued to a sole subscriber (Depot Up Limited), pursuant to the Second Placing. The gross and net proceeds were HK\$76,000,000 (equivalent to approximately RMB59,984,000) and HK\$75,791,000 (equivalent to approximately RMB59,820,000) respectively. The Company intended to use the net proceeds arising from the subscription (i) as to HK\$25,500,000 (equivalent to approximately RMB20,127,000) for any potential investment opportunities as identified by the Group and (ii) as to HK\$50,291,000 (equivalent to approximately RMB39,693,000) as general working capital of the Group. As at 30 June 2015, the net proceeds has not been utilised and remained for the intended use.

Upon the shares allotted by exercising of share options and the completion of the subscription on 30 June 2015, the Company had an aggregate of 429,160,000 shares of HK\$0.01 each in issue.

DIVIDENDS

The Board did not recommend the payment of interim dividend for the Current Period (Corresponding Period: Nil).

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

As at 30 June 2015, the Directors considered the Group's foreign exchange risk remained minimal currently. During the Current Period, the Group did not use any financial instruments for hedging purposes.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES, AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no significant investments held, material acquisitions or disposal of subsidiaries and affiliated companies during the Current Period. Save for "Events After The Reporting Period" as disclosed below, there is no plan for material investments or capital assets as the date of this announcement.

EVENTS AFTER THE REPORTING PERIOD

Proposed establishment of the JV Company

On 17 July 2015, Northern New Energy, a indirectly wholly-owned subsidiary of the Company, entered into a JV Agreement with an independent third party, the Tianjin Xinping Runchi in relation to the proposed establishment of a JV Company in the PRC (subject to the approval of the relevant PRC authorities). The proposed name of the JV Company is Northern New Energy Development (Tianjin) Limited. The JV Company will principally engage in, among other things, new energy development, research on its relevant technologies and construction business. The JV Company will be located at Binhai Science Park, Binhai New Area, Tianjin, the PRC.

The total investment is RMB18 million which will be contributed by the parties in the form of registered capital. Northern New Energy shall contribute 90% of the registered capital of the JV Company for a cash consideration of RMB16.2 million and Tianjin Xinping Runchi shall contribute 10% of the registered capital of the JV Company for a cash consideration of RMB1.8 million. The capital contribution from the Northern New Energy will be funded by internal resources of the Company.

Further details of the proposed establishment of the JV Company are set out in the announcement of the Company dated 17 July 2015.

Proposed Change of Company Name

On 17 July 2015, the Board proposed to change the English name of the Company from “Noble House (China) Holdings Limited” to “Northern New Energy Holdings Limited” and, to adopt “北方新能源控股有限公司” as the new dual foreign name of the Company to replace “名軒(中國)控股有限公司” (the “Change of Company Name”).

The proposed change of Company Name will be subject to the following conditions:

- (i) the passing of a special resolution by the shareholders of the Company at an extraordinary general meeting to approve the Change of Company Name; and
- (ii) the Registrar of Companies in Cayman Islands (the “Registrar of Companies”) approving the Change of Company Name.

Subject to the satisfaction of the above conditions, the new English name and dual foreign name of the Company will take effect on the date of issue of the Certificate of Incorporation on Change of Name by the Registrar of Companies in the Cayman Islands. The Company will carry out all necessary registration and/or filing procedures with the Registrar of Companies in the Cayman Islands and the Companies Registry in Hong Kong. Up to the date of this announcement, the proposed change of name is yet to complete.

Further details of the proposed Change of Company Name are set out in the announcement of the Company dated 17 July 2015.

OTHER INFORMATION

AUDIT COMMITTEE

The Company established an audit committee (the “Audit Committee”) pursuant to a resolution of the Directors passed on 12 December 2011 with written terms of reference in compliance with Rule 5.28 and Rule 5.29 of the GEM Listing Rules. The written terms of reference of the audit committee was adopted in compliance with paragraph C.3.3 of the Code on Corporate Governance Practices as set out in Appendix 15 to the GEM Listing Rules. The primary duties of the audit committee, among other things, are to make recommendation to the Board on the appointment, re-appointment and removal of external auditor; review the financial statements and material advice in respect of financial reporting; and oversee internal control procedures of the Company.

As at 30 June 2015, the 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 Audit Committee had reviewed the unaudited interim report and results announcement for the six months ended 30 June 2015 and is of the opinion that the preparation of such statements complied with the applicable accounting standards and that adequate disclosures have been made. 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 PRACTICES

The Company applied the principles and complied with all the code provisions set out in the Code on Corporate Governance Practice contained in Appendix 15 of the GEM Listing Rules (the “Corporate Governance Code”) throughout the Current Period. Except for the deviations from code provision A.6.7 as explained below. The Board will continue to review regularly and take appropriate actions to comply with the CG Code.

Under code provision A.6.7, the Board members should attend general meetings and develop a balanced understanding of the views of shareholders of the Company. Due to other unavoidable business engagement, the Chairman and one of independent non-executive Directors were unable to attend the Company’s annual general meeting held on 7 May 2015 and the extraordinary general meetings held on 9 June 2015. Besides, one of the executive Directors was unable to attend the extraordinary general meeting held on 9 June 2015.

Save as disclosed above, the Directors are of the opinions that the Company and the Board had complied with the Corporate Governance Code throughout the Current Period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (“THE MODEL CODE”)

The Company had adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company also had made specific enquiries of all Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors from the Listing Date up to 30 June 2015.

CONTINGENT LIABILITIES

As at 30 June 2015, the Group did not have any material contingent liabilities.

CHARGE ON GROUP ASSETS

As at 30 June 2015, the Group did not have any pledged assets. (31 December 2014: Nil).

EMPLOYMENT AND REMUNERATION OF EMPLOYEES

As at 30 June 2015, the Group had approximately 359 full time employees in the PRC. The Group recognises the importance of human resources to its success, therefore qualified and experienced personnel are recruited for expansion of new restaurants. Remuneration is maintained at competitive levels with discretionary bonuses payable on a merit basis and in line with industrial practice. Other staff benefits provided by the Group include mandatory provident fund, insurance schemes and performance related bonus.

SHARE OPTION SCHEME

The Company operates a share option scheme (the “Scheme”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. The Scheme is valid and effective for a period of 10 years commencing on 12 December 2011 and may continue to be exercisable in accordance with their terms of issue. The Board may grant options to Directors and eligible employees of the Company or its subsidiaries to subscribe for shares in the Company at a consideration equal to the higher of the closing price of the shares of the Company on the Stock Exchange at the date of offer of grant and the average closing prices of the shares of the Company on the Stock Exchange for the five trading days immediately preceding the date of grant of the options. Options granted must be taken up within 28 days from the date of grant, upon payment of HK\$1. Options may be exercised at any time from the date of grant of the share option up to the tenth anniversary of the date of grant as determined by the Directors at their discretion. The maximum number of shares of the Company in respect of which options may be granted, when aggregated with any other share option scheme of the Company, shall not exceed 30% of the issued share capital of the Company from time to time excluding any shares issued upon the exercise of options granted pursuant to the Scheme. Notwithstanding the foregoing, the shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme shall not exceed 10% of the shares in issue from time to time. The total number of shares issued and to be issued upon exercise of the options granted to a participant under the Scheme (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the shares in issue from time to time.

During the year 2014, the Company has granted 28,000,000 share options to the Company's Directors, consultants and employees at the exercise price of HK\$0.81 per option share. As at 30 June 2015, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 14,840,000 (30 June 2014: nil), representing 3.5% (30 June 2014: nil) of the shares of the Company in issue at that date. Details of the movements of share options granted, exercised or cancelled/lapsed during the review period and outstanding as at 30 June 2015 are as follows:

	Number of share options					Exercise period (both dates inclusive)	Exercise price	Closing price immediately before the date of grant
	At 1 January 2015	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the Period	Outstanding as at 30 June 2015			
Directors								
Ms. Lin Min, Mindy	2,800,000	–	–	–	2,800,000	25 November 2014 to 24 November 2021	0.81	0.97
Mr. Chan Wing Yuen, Hubert	2,800,000	–	–	–	2,800,000	25 November 2014 to 24 November 2021	0.81	0.97
Ms. Kwong Wai Man, Karina	2,800,000	–	–	–	2,800,000	25 November 2014 to 24 November 2021	0.81	0.97
Mr. Lui Tin Nang	280,000	–	–	–	280,000	25 November 2014 to 24 November 2021	0.81	0.97
Ms. Ma Lee	280,000	–	–	–	280,000	25 November 2014 to 24 November 2021	0.81	0.97
Mr. Wang Zhi Zhong	280,000	–	–	–	280,000	25 November 2014 to 24 November 2021	0.81	0.97
Total Directors	9,240,000	–	–	–	9,240,000			
Employees	10,360,000	–	(4,760,000)	–	5,600,000	25 November 2014 to 24 November 2021	0.81	0.97
Total Employees	10,360,000	–	(4,760,000)	–	5,600,000			
Consultants	8,400,000	–	(8,400,000)	–	–	25 November 2014 to 24 November 2021	0.81	0.97
Total Consultants	8,400,000	–	(8,400,000)	–	–			
Total All Categories	28,000,000	–	(13,160,000)	–	14,840,000			

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2015, the interests and short positions of the Directors and chief executives of the Company in the ordinary shares (the “Shares”), underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long position in ordinary shares of HK\$0.01 each of the Company

Name of Director	Notes	Nature of Interest	Number of shares	Percentage of the Company's issued share capital
Mr. Chan Tai Neng	1	Interest of controlled corporation	103,040,000	24.01%
Ms. Lin Min, Mindy	2	Interest of controlled corporation	56,000,000	13.05%

Notes:

1. Mr. Chan Tai Neng is deemed to be interested in 103,040,000 Shares held by Blossom Merit Limited. The issued share capital of Blossom Merit Limited is owned 90% by Mr. Chan Tai Neng and 10% by Mr. Cheung Chi Keung, a former executive Director.
2. Ms. Lin Min, Mindy is deemed to be interested in 56,000,000 Shares held by Uprise Global Investments Limited, a company 100% controlled by Ms. Lin Min, Mindy.

Long position in the underlying shares of equity derivatives of the Company

Name of Director	Nature of Interest	Number of underlying shares (note)
Ms. Lin Min, Mindy	Beneficial owner	2,800,000
Mr. Chan Wing Yuen, Hubert	Beneficial owner	2,800,000
Ms. Kwong Wai Man, Karina	Beneficial owner	2,800,000
Mr. Lui Tin Neng	Beneficial owner	280,000
Ms. Ma Lee	Beneficial owner	280,000
Mr. Wang Zhi Zhong	Beneficial owner	280,000

Note: The share options were granted by the Company to Directors on 25 November 2014 at the exercise price of HK\$0.81 per option share, which are outstanding as shown under the section “Share Option Scheme” of this announcement.

Saved as disclosed above, at 30 June 2015, none of the Directors or chief executives of the Company or their respective associates had registered any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

DIRECTORS’ INTERESTS IN COMPETING BUSINESS

For the Current Period, the Directors were not aware of any business or interest of the Directors, the management Shareholder and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

DEED OF NON-COMPETITION

Each of the controlling shareholders has confirmed to the Company of his/its compliance with the non-competition undertakings provided to the Company under a deed of non-competition dated 12 December 2011 during the Current Period. However, the deed of non-competition was no longer applied when the covenantors’ interest in shares of the Company had dropped below 30% of the entire issued share capital of the Company since 10 March 2015.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2015, so far as is known to the Directors, the following persons, not being Directors or chief executives of the Company had, or were deemed to have, interests or short position in the shares or underlying shares which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 Part XV of the SFO; or who is directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

Long position – Ordinary shares and underlying shares

Name	Capital and nature of interest	Number of shares	Number of underlying shares	Percentage of the Company's issued share capital
Blossom Merit Limited (Note 1)	Beneficial owner	103,040,000	–	24.01%
Depot Up Limited (Note 2)	Beneficial owner	80,000,000	–	18.64%
Uprise Global Investments Limited (Note 3)	Beneficial owner	56,000,000	–	13.05%
Mr. Hu Yishi (Note 4)	Interest of spouse	56,000,000	2,800,000	13.70%
Rosy Deal Group Limited (Note 5)	Beneficial owner	28,000,000	–	6.52%
Ms. Miao Kun Yu (Note 6)	Interest of controlled corporation	28,000,000	–	6.52%

Notes:

1. Blossom Merit Limited, a company incorporated in the British Virgin Islands on 6 July 2011 with limited liability and an investment holding company where the entire issued share capital of which is held by Mr. Chan Tai Neng and Mr. Cheung Chi Keung (a former executive Director) in the proportion of 90% and 10% respectively as at 30 June 2015.
2. Depot Up Limited, a company incorporated in the Republic of Seychelles on 23 February 2015 with limited liability and an investment holding company where the entire issued share capital of which is held by Mr. Song Zhi Cheng.
3. Uprise Global Investments Limited, a company incorporated in the British Virgin Islands on 19 December 2013 with limited liability and an investment holding company where the entire issued share capital of which is held by Ms. Lin Min, Mindy.

4. Mr. Hu Yishi is the spouse of Ms. Lin Min, Mindy. Mr. Hu Yishi is deemed to be interested in the 58,800,000 shares and underlying shares in which Ms. Lin Min, Mindy is interested in pursuant to the SFO.
5. Rosy Deal Group Limited, a company incorporated in Samoa on 14 October 2014 with limited liability and an investment holding company where the entire issued share capital of which is held by Ms. Miao Kun Yu.
6. Ms. Miao Kun Yu is deemed to be interested in 28,000,000 shares through her interests in Rosy Deal Group Limited.

During the Current Period, there were no debt securities issued by the Group and the Company at any time.

Save as disclosed above, as at 30 June 2015, the Directors are not aware of any other person other than the Directors and the chief executives of the Company who had, or was deemed to have interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who is directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or options in respect of such share capital.

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than as disclosed under the sections “Share Option Scheme” and “Directors’ and chief executives’ interests and short positions in shares, underlying shares and debentures of the Company” above, at no time during the Current Period was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective associates (as defined in the GEM Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Current Period, 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 extraordinary 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

Chan Wing Yuen, Hubert

Chief Executive Officer and Executive Director

Hong Kong, 11 August 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-executive Directors are Mr. Lui Tin Nang, Ms. Ma Lee and Mr. Wang Zhi Zhong.

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.8246hk.com>.