



Noble House (China) Holdings Limited

名軒(中國)控股有限公司

(Incorporated in the Cayman Islands with limited liability)

08246.HK

FIRST QUARTERLY REPORT 2012



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This report, 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 report 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 report misleading.

Corporate Information

Board of Directors

Executive Directors

Mr. Chan Tai Neng (*Chairman*)
Mr. Cheung Chi Keung

Independent Non-Executive Directors

Mr. Wang Zhi Zhong
Mr. Tse Wai Chuen, Tony
Mr. Chan Chun Sing

Compliance Officer

Mr. Cheung Chi Keung

Authorised Representatives

Mr. Chan Tai Neng
Mr. Cheung Chi Keung

Company Secretary

Mr. Tam Hon Fai

Audit Committee Members

Mr. Chan Chun Sing (*Chairman*)
Mr. Tse Wai Chuen, Tony
Mr. Wang Zhi Zhong

Remuneration Committee Members

Mr. Chan Chun Sing (*Chairman*)
Mr. Tse Wai Chuen, Tony
Mr. Wang Zhi Zhong

Auditor

Deloitte Touche Tohmatsu

Legal Adviser to the Company

As to Cayman Islands law:
Conyers Dill & Pearman

Compliance Adviser

Quam Capital Limited

Principal Banker

Industrial and Commercial Bank of China

Registered Office

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Principal Place of Business in Hong Kong

12th Floor, The Lee Gardens
33 Hysan Avenue,
Causeway Bay,
Hong Kong

Head Office in the PRC

No.24 Sub-lane 99
Lane 635, Zhennan Road,
Putuo District
Shanghai 200331,
PRC

Share Registrar and Transfer Office in Cayman Islands

Codan Trust Company (Cayman) Limited

Cricket Square,
Hutchins Drive,
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Hong Kong Share Registrar

Boardroom Share Registrars (HK) Limited

12th Floor, The Lee Gardens
33 Hysan Avenue
Causeway Bay
Hong Kong

Company Website

<http://www.noblehouserestaurant.cn>

GEM Stock Code

8246

Financial Highlights

- The Group's revenue from continuing operations amounted to approximately RMB32.6 million for the three months ended 31 March 2012 which represented an increase of approximately RMB0.4 million or 1.2% as compared with the three months ended 31 March 2011.
- The profit and total comprehensive income attributable to owners of the Company from continuing operations was approximately RMB1.9 million for the three months ended 31 March 2012, a decrease of approximately RMB0.1 million or 5.0%, compared to approximately RMB2.0 million for the three months ended 31 March 2011.
- Basic earnings per share from continuing and discontinued operations for the three months ended 31 March 2012 amounted to RMB0.7 cents (Three months ended 31 March 2011: RMB1.0 cents).

	Three months ended		Increase/ (Decrease)
	31 March 2012 RMB (in million)	2011 RMB (in million)	
Continuing Operations			
Revenue	32.6	32.2	1.2%
Operating Profit ⁽¹⁾	19.8	17.2	15.1%
Profit and total comprehensive income attributable to the owners of the Company for the quarter	1.9	2.0	(5.0%)
Operating margin ⁽²⁾	60.7%	53.4%	

Notes:

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

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

The board of Directors (the “Board”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the three months ended 31 March 2012, together with the unaudited comparative figures for the corresponding period in 2011, as follows:

Condensed Consolidated Statement of Comprehensive Income (Unaudited)

For the three months ended 31 March 2012

	Notes	2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
Continuing Operations			
Revenue	3	32,583	32,177
Other income	3	75	3
Other gains and losses		8	(27)
Cost of inventories consumed		(12,819)	(14,966)
Staff costs	4	(6,367)	(5,547)
Depreciation of property, plant and equipment		(440)	(695)
Utilities and consumables		(932)	(869)
Rental and related expenses		(4,262)	(3,964)
Advertising and marketing expenses		(319)	(460)
Other expenses		(3,792)	(2,793)
Share of results of associates		(535)	103
Profit before tax	5	3,200	2,962
Income tax expense	6	(1,157)	(763)
Profit and total comprehensive income for the period from continuing operations		2,043	2,199
Discontinued operations			
Loss and total comprehensive expense for the period from discontinued operations		-	(39)
Profit and total comprehensive income for the period		2,043	2,160
Profit and total comprehensive income for the period attributable to:			
Owners of the Company			
– Profit and total comprehensive income for the period from continuing operations		1,945	2,047
– Loss and total comprehensive expense for the period from discontinued operations		-	(39)
Profit and total comprehensive income attributable to the owners of the Company		1,945	2,008
Non controlling interests			
– profit and total comprehensive income for the period from continuing operations		98	152
Profit and total comprehensive income for the period attributable to non-controlling interests		98	152
		2,043	2,160
Earnings per share (RMB), basic:			
From continuing and discontinued operations	7	0.007	0.010
From continuing operations		0.007	0.010

Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the three months ended 31 March 2012

	Attributable to owners of the Company				Non-controlling interests		Total
	Share Capital	Share premium	Accumulated profits	Special reserve	Total	Total	
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Balance at 1 January 2012	2,291	31,076	10,366	528	44,261	1,013	45,274
Profit and total comprehensive income for the period	-	-	1,945	-	1,945	98	2,043
Balance at 31 March 2012	2,291	31,076	12,311	528	46,206	1,111	47,317
Balance at 1 January 2011	528	-	6,326	-	6,854	584	7,438
Profit and total comprehensive income for the period	-	-	2,008	-	2,008	152	2,160
Dividend paid to non-controlling interests	-	-	-	-	-	(72)	(72)
Balance at 31 March 2011	528	-	8,334	-	8,862	664	9,526

Notes to the First Quarterly Financial Statements

For the three months ended 31 March 2012

Notes:

1. General Information and Reorganisation

1.1 General information

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

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

1.2 Reorganisation

Under a group reorganisation scheme (the "Reorganisation") in December 2011 to rationalise the structure of the Group in preparation for the listing of the shares on GEM of the Stock Exchange (the "Listing"), the Company became the holding company of the companies now comprising the Group.

Details of the Reorganisation are set out in the paragraph headed "Group Reorganisation" in Appendix V to the prospectus dated 20 December 2011 issued by the Company (the "Prospectus").

The Reorganisation involved business combinations of entities under common control. Accordingly, the unaudited condensed consolidated first quarterly financial statements for the three months ended 31 March 2012 (the "First Quarterly Financial Statements") and the related notes thereto have been prepared on a combined basis by applying the principles of merger accounting in accordance with the Accounting Guideline 5 "Merger accounting for common control combinations" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). On this basis, the First Quarterly Financial Statements, including comparative figures, are presented as if the current group structure had been in existence throughout the three months ended 31 March 2011 and 2012, or since their respective dates of incorporation, where this is a shorter period.

2. Basis of Preparation

The First Quarterly Financial Statements have been prepared in accordance with the accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA and the applicable disclosure provisions of Chapter 18 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange (the "GEM Rules").

The unaudited condensed consolidated financial statements have been prepared under the historical cost basis. The principal accounting policies used in the preparation of these unaudited condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2011 except in relation to the new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are adopted for the first time for the current period's financial statements. The adoption of these new and revised HKFRSs has had no material impact on the unaudited condensed consolidated financial statements.

The Group has not early adopted any new HKFRSs that have been issued but are not yet effective.

The First Quarterly Financial Statements are presented in Renminbi ("RMB"), which is also the functional currency of the Group.

3. Revenue and Other Income

Continuing Operations

	For the three months ended 31 March	
	2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
Revenue		
Operation of restaurants	31,236	31,351
Provision of management services	317	569
Sales of processed food	1,030	257
	32,583	32,177
Other income		
Interest income	75	3

4. Staff Costs

Continuing Operations

	For the three months ended 31 March	
	2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
Directors' emoluments	68	36
Salaries and other allowances	5,354	4,827
Retirement benefit scheme contributions, excluding those of directors	945	684
	6,367	5,547

5. Profit Before Tax

Continuing Operations

	For the three months ended 31 March	
	2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
Profit before tax has been arrived after charging the following:		
Staff costs	6,367	5,547
Depreciation of property, plant and equipment	440	695

6. Income Tax Expenses

Continuing operations

	For the three months ended 31 March	
	2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
Enterprise income tax in the PRC		
Current income tax	1,157	763

Hong Kong

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

PRC

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

For the PRC subsidiaries which are located in Shanghai Pudong New Area, their applicable income tax rates are 24% for the quarter ended 31 March 2011 and 25% for the quarters ending 31 March 2012 onwards.

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

7. Earnings Per Share

The calculation of basic earnings per share for the three months ended 31 March 2012 are based on the profit attributable to owners of the Company of RMB1,945,000 (three months ended 31 March 2011: RMB2,008,000) and the weighted average number of ordinary shares of 280,000,000 (three months ended 31 March 2011: 210,000,000) in issue during the respective periods.

The weighted average number of ordinary shares for the purpose of basic earnings per share for the three months ended 31 March 2012 and 2011 had been adjusted retrospectively assuming that the Reorganisation and the issue of shares upon capitalisation have been effective from 1 January 2011 and accordingly, the 210,000,000 ordinary shares of the Company which were in issue and outstanding immediately after the Reorganisation and share capitalization were assumed to have been issued and outstanding as at 1 January 2011.

The diluted earnings per share for the respective periods are the same as basic earnings per share as there are no dilutive potential ordinary shares.

8. Dividends

The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2012 (three months ended 31 March 2011: nil).

9. Reserves

The special reserve of the Group represents the share capital of the companies comprising the Group prior to the Reorganisation.

After the Reorganisation, the excess of the nominal value of the subsidiaries' shares acquired over the nominal value of the Company's shares issued in exchange at the time of the Reorganisation is recognised as share premium.

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

For the three month ended 31 March 2012, the Group recorded an unaudited revenue from continuing operations of approximately RMB32,583,000, showing an approximately 1.3% increase from approximately RMB32,177,000 for the corresponding period of the previous year. Operating margin increased by approximately 7.3% from approximately 53.4% for the three months ended 31 March 2011 to approximately 60.7% for the three months ended 31 March 2012, which was primarily due to the upward price adjustment of our menus in the second half of 2011 and the slowdown of inflation of food costs in the PRC. Profit and total comprehensive income for the three months ended 31 March 2012 amounted to approximately RMB2,043,000, representing an decrease of approximately RMB117,000, or approximately 5.4%, as compared to approximately RMB2,160,000 for the three months ended 31 March 2011. Basic earnings per share for the three months ended 31 March 2012 was approximately RMB0.7 cents, as compared to RMB1.0 cents for the corresponding period of 2011.

As at 31 March 2012, we owned and operated eight restaurants under the Group's own brand name "Noble House (名軒)" across different regions in the PRC, including Shanghai, Beijing, Qingdao, Chengdu and Ningbo, manages and operates one restaurant in Dalian, and provides restaurant management consulting services to one restaurant in Nantong. Apart from these restaurants, we operated a food plant in Shanghai ("Shanghai Food Plant"), which was primarily established to provide food production services to our restaurants. We believe the planned expansion of our restaurant network in first-tier developed cities or cities in the PRC with potential economic growth helps to promote the brand and reputation of the Group to the targeted high spending customers and facilitates the Group in capturing and stabilising market share in the high-end dining industry.

Revenue from operation of restaurants for the three months ended 31 March 2012 remained stable at RMB31,236,000, a slight decrease of 0.4% from approximately RMB31,351,000 for the corresponding period of the previous year.

During the review period, the sales of processed goods registered a significant growth, with revenue advanced by RMB773,000 from RMB257,000 in the first quarter of 2011 to RMB1,030,000 for the corresponding period of the current year. The sales was derived from the Shanghai Food Plant, which was acquired by the Group in 2010 and commenced processing supplemental food products including, among others, spicy XO sauce with crab meat, crab-roe, processed abalone and braised meat, under the Group's own brand name "Noble House (名軒)", for supply to the Group's restaurants and a local supermarket in Shanghai. The growth was mainly driven by the increased recognition of the branded packaged food products offered by the Group, and the Group expects to increase its source of income by expanding its production capacities and the range of food products to be produced by the plant, so as to achieve a more diversified group of customers in near term.

Financial Review

Revenue

The Group's revenue increased by approximately RMB406,000, or by approximately 1.3%, from approximately RMB32,177,000 for the three months ended 31 March 2011 to approximately RMB32,583,000 for the three months ended 31 March 2012, which was mainly attributable to the revenue growth by RMB773,000 from processed goods including spicy XO sauce with crab meat, crab-roe, processed abalone and braised meat, under the Group's own brand name "Noble House (名軒)". Such effects were partially offset by a slight decrease in revenue generated from operation of restaurants by approximately RMB115,000 and a slight decrease in management services fee received of approximately RMB252,000 for the three months ended 31 March 2012.

Operating margin

Operating profit represents the revenue less cost of inventories consumed. The operating margin of the Group increased from approximately 53.4% for the three months ended 31 March 2011 to approximately 60.7% for the three months ended 31 March 2012, which was primarily due to the upward price adjustment of our menus in the second half of 2011 and the slowdown of inflation of food costs in the PRC.

Cost of inventories consumed

The Group's cost of inventories consumed decreased by approximately RMB2,147,000, or by approximately 14.3%, from approximately RMB14,966,000 in the first quarter of 2011 to approximately RMB12,819,000 in the first quarter of 2012. Despite there was a growth in the Group's revenue, the Group has switched the inflationary cost of food ingredients to customers by adjusting the price of the Group's dishes during the period. In addition, the inflation of food costs in the PRC had slow down since the second half of 2011.

Staff cost

The Group's staff cost increased by approximately RMB820,000, or by approximately 14.8%, from approximately RMB5,547,000 in the three months ended 31 March 2011 to approximately RMB6,367,000 in the three months ended 31 March 2012. The increase in the staff cost was primarily due to the overall increase in the level of salaries and other employee benefits of the Group. Staff cost as a percentage of the Group's revenue moderately increased from approximately 17.3% in 2011's first quarter to approximately 19.6% in 2012's first quarter primarily as a result of the Group's headcount increase following the expansion of the Group.

Depreciation of property, plant and equipment

Depreciation of property, plant and equipment for the first three months ended 31 March 2012 amounted to approximately RMB440,000, a decrease of approximately 36.7% as compared with the amount of RMB695,000 of the three months ended 31 March 2011, mainly due to the disposal of fixed assets in 2011.

Utilities and consumables

Utilities and consumables increased by approximately RMB63,000, or approximately 7.3%, from approximately RMB869,000 in 2011's first quarter to approximately RMB932,000 in 2012's first quarter. As a percentage of revenue, utilities and consumables increased from approximately 2.7% in 2011's first quarter to approximately 2.9% in 2012's first quarter, primarily due to the increased utilities and consumables usage following the increase in the Group's revenue.

Rental expenses

The operating lease rental expenses for the three months ended 31 March 2012 amounted to approximately RMB4,262,000, an increase of approximately 7.5% as compared with that of the three months ended 31 March 2011. The rise was mainly due to the renewal of rental agreements upon the end of their lease terms.

Advertising and marketing expenses

Advertising and marketing expenses decreased by approximately RMB141,000 or approximately 30.7% from approximately RMB460,000 in 2011's first quarter to approximately RMB319,000 in 2012's first quarter, which was mainly due to the absence of large advertising campaign in the first three months of 2012.

Other expenses

Other expenses increased by approximately RMB999,000, or approximately 35.8%, from approximately RMB2,793,000 in 2011's first quarter to approximately RMB3,792,000 in 2012's first quarter, primarily due to the increased secretarial expenses and advisory fees incurred in the review period.

Income tax expenses

The Group's income tax expense increased by approximately RMB394,000, or by approximately 51.6%, from approximately RMB763,000 in the three months ended 31 March 2011 to approximately RMB1,157,000 in the three months ended 31 March 2012, as a result of the increase in taxable profit in 2012's first quarter as compared to the corresponding period of the previous year. The Group's effective income tax rate increased from approximately 25.8% in 2011's first quarter to approximately 36.2% of the corresponding period in 2012's first quarter, primarily due to the recognition of non-deductible expenses in the three months ended 31 March 2012.

Discontinued operations

Profit for the three months ended 31 March 2011 from discontinued operations represented the loss incurred by Ningbo Noble House of approximately RMB39,000, while there was no loss from discontinued operations in the three months ended 31 March 2012.

Non-controlling interests

Non-controlling interests decreased by approximately 35.5% from approximately RMB152,000 in the three months ended 31 March 2011 to approximately RMB98,000 in the corresponding period of 2012. Such decrease was attributable to the decrease in the aggregate amounts of profits made by the non wholly-owned subsidiaries during the review period.

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

The Group's profit and total comprehensive income attributable to owners of the Company from continuing operations decreased by approximately RMB102,000, or by approximately 5.0%, from approximately RMB2,047,000 in 2011's first quarter to approximately RMB1,945,000 in 2012's first quarter. The net profit margin decreased slightly from approximately 6.4% in 2011's first quarter to approximately 6.0% in 2012's first quarter, primarily as a result of the increase in the staff cost due to the overall increase in the level of salaries and other employee benefits of the Group in the current review period.

Dividends

The Board does not recommend payment of an interim dividend for the three months ended 31 March 2012. (Three months ended 31 March 2011: Nil)

Liquidity and financial resources

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

The Group maintained cash and bank balances of approximately RMB35,104,000 as at 31 March 2012 (as at 31 December 2011: approximately RMB34,319,000). The net assets of the Group as at 31 March 2012 were approximately RMB47,317,000 (as at 31 December 2011: approximately RMB45,274,000).

The Group also monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Gearing ratio is not applicable to the Group as at both 31 December 2011 and 31 March 2012 as the Group did not have any borrowings as at the end of both reporting periods.

Foreign currency exposure

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

As at 31 March 2012, the Directors considered the Group's foreign exchange risk to be insignificant. During the three months ended 31 March 2012, the Group did not use any financial instruments for hedging purposes.

Capital Structure and Gearing Ratio

The capital structure of the Group consists of net debt, which includes amount due to directors and other borrowings, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and retained earnings.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Gearing ratio is not applicable to the Group as at 31 March 2012 as the Group did not have any borrowings as at 31 March 2012.

Prospects

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

Coping with our future development plan and targeting high end spending class customers and business customers, we plan to open our restaurants in the first-tier cities in order to enhance our brand reputation. We will also continue to upgrade the existing restaurants facilities and offer various training programmes to the staff to improve the dining environment and enhance customer satisfaction. And we will further increase the source of income by expanding our production capacities and the range of food products to be produced.

Significant Investments Held, Material Acquisitions or Disposals of Subsidiaries and Affiliated Companies, and Plans for Material Investments or Capital Assets

There were no significant investments held, material acquisitions or disposal of subsidiaries and affiliated companies during the three months ended 31 March 2012. Save for the business plan as disclosed in the Prospectus and in this report, there is no plan for material investments or capital assets as the date of this report.

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 has become effective on 12 December 2011. No share options were granted, exercised or cancelled by the Company under the Scheme during the period under review and there were no outstanding share options under the Scheme as at 31 March 2012.

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company

At 31 March 2012, the interests and short positions of the Directors and chief executive 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:

Interest in 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	182,000,000 (L)	65%
Mr. Cheung Chi Keung	2	Interest of controlled corporation	182,000,000 (L)	65%

Notes:

- Mr. Chan Tai Neng is deemed to be interested in 182,000,000 Shares held by Blossom Merit Limited under the SFO.
- Mr. Cheung Chi Keung is deemed to be interested in 182,000,000 Share held by Blossom Merit Limited under the SFO.

During the three months ended 31 March 2012, there were no debt securities issued by the Group and the Company at any time.

Saved as disclosed above, at 31 March 2012, none of the Directors or chief executive 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.

Substantial Shareholders' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company

As at 31 March 2012, so far as is known to the Directors, the following persons, not being Directors or chief executive 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.

Interest in the Company

Name	Capital and nature of interest	Number of shares	Percentage of the Company's issued share capital
Blossom Merit Limited (Note)	Beneficial owner	182,000,000 (L)	65%

Note:

Blossom Merit Limited, a company incorporated in 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 in the proportion of 90% and 10% respectively as at 31 March 2012.

During the three months ended 31 March 2012, there were no debt securities issued by the Group at any time.

Save as disclosed above, as at 31 March 2012, the Directors are not aware of any other person other than the Directors and the chief executive 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 the shares, underlying shares or debentures of the Company" above, at no time during the three months ended 31 March 2012 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 the Listed Securities of the Company

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the shares during the three months ended 31 March 2012.

Compliance Adviser's Interest in the Company

As at 31 March 2012, as notified by the Company's compliance adviser, Quam Capital Limited (the "Compliance Adviser"), except for the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 12 December 2011, neither the Compliance Adviser nor its directors, employees or associates had any interests in relation to the Company which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules.

Competing Interests

None of the Directors or the management shareholders of the Company or their respective associates (as defined under the GEM Listing Rules) had any interest in a business which competes or may compete with the business of the Company during the period under review.

Audit Committee

The Company established an 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 C3.3 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 31 March 2012, the audit committee of the Company consists of three members, namely Mr. Chan Chun Sing, Mr. Tse Wai Chuen, Tony and Mr. Wang Zhi Zhong and Mr. Chan Chun Sing is the chairman of the audit committee.

The audit committee had reviewed the unaudited First Quarterly financial statements for the three months ended 31 March 2012 and is of the opinion that the preparation of such statements complied with the applicable accounting standards and that adequate disclosures have been made.

By order of the Board
Noble House (China) Holdings Limited
Chan Tai Neng
Chairman and executive Director

Hong Kong, 15 May 2012

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