



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



2014

第一季度報告

First Quarterly Report 2014

Noble House Noble House Noble House
Noble House Noble House Noble House
Noble House Noble House Noble House
Noble House Noble House Noble House

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

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. Chan Meng Hou
Mr. Cheung Chi Keung

Independent Non-Executive Directors

Mr. Tse Wai Chuen, Tony
Mr. Wang Zhi Zhong
Mr. Yeung Chi Wai

Company Secretary

Mr. Tsui Wing Tak

Compliance Officer

Mr. Cheung Chi Keung

Board Committees

Audit Committee

Mr. Tse Wai Chuen, Tony
Mr. Wang Zhi Zhong
Mr. Yeung Chi Wai (*Chairman*)

Remuneration Committee

Mr. Chan Tai Neng
Mr. Wang Zhi Zhong
Mr. Yeung Chi Wai (*Chairman*)

Nomination Committee

Mr. Chan Tai Neng (*Chairman*)
Mr. Wang Zhi Zhong
Mr. Yeung Chi Wai

Authorised Representatives

Mr. Chan Tai Neng
Mr. Cheung Chi Keung

Registered Office

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

Principal Place of Business in Hong Kong

Rm 901, 9/F, Tai Yau Building,
181 Johnston Road,
Wan Chai,
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

31/F, 148 Electric Road,
North Point,
Hong Kong

Legal Adviser to the Company

As to Cayman Islands law:
Conyers Dill & Pearman

Auditor

Deloitte Touche Tohmatsu

Compliance Adviser

Quam Capital Limited

Principal Banker

Industrial and Commercial Bank of China

Company Website

<http://www.noblehouserestaurant.cn>

GEM Stock Code

8246

Financial Highlights

- The Group's revenue amounted to approximately RMB19.3 million for the three months ended 31 March 2014 which represented a decrease of approximately RMB9.0 million or 31.8% as compared with the three months ended 31 March 2013.
- The loss and total comprehensive expense attributable to owners of the Company for the three months ended 31 March 2014 and for the three months ended 31 March 2013 were RMB5.1 million and RMB3.6 million respectively.
- Basic loss per share for the three months ended 31 March 2014 and for the three months ended 31 March 2013 amounted to RMB1.8 cents and RMB1.3 cents respectively.

	Three months ended		Increase/ (Decrease)
	31 March 2014	2013	
	RMB (in million)	RMB (in million)	
Revenue	19.3	28.3	(31.8%)
Operating Profit ⁽¹⁾	11.8	16.9	(30.2%)
Loss and total comprehensive expense attributable to the owners of the Company	5.1	3.6	41.7%
Operating margin ⁽²⁾	61.1%	59.7%	

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 2014, together with the unaudited comparative figures for the corresponding period in 2013, as follows:

Condensed Consolidated Statement of Comprehensive Income (Unaudited)

For the three months ended 31 March 2014

	Notes	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Revenue	3	19,309	28,348
Other income	3	13	7
Cost of inventories consumed		(7,516)	(11,426)
Staff costs	4	(6,939)	(8,974)
Depreciation of property, plant and equipment		(750)	(555)
Utilities and consumables		(1,025)	(1,008)
Rental and related expenses		(5,074)	(5,823)
Advertising and marketing expenses		(146)	(1,146)
Other expenses		(2,514)	(2,909)
Share of results of associates		(712)	(392)
Loss before tax	5	(5,354)	(3,878)
Income tax expense	6	(42)	(57)
Loss and total comprehensive expense for the period		(5,396)	(3,935)
Loss and total comprehensive expense attributable to the owners of the Company		(5,087)	(3,625)
Non controlling interests			
– Loss and total comprehensive expense for the period		(309)	(310)
		(5,396)	(3,935)
Loss per share (RMB), basic:	7	(0.018)	(0.013)

Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the three months ended 31 March 2014

	Attributable to owners of the Company						Total
	Share Capital	Share premium	(Accumulated losses)/ Retained profits	Special reserve	Total	Non-controlling interests	
	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 2014	2,291	31,076	(11,464)	528	22,431	(901)	21,530
Loss and total comprehensive expense for the period	-	-	(5,087)	-	(5,087)	(309)	(5,396)
Balance at 31 March 2014	2,291	31,076	(16,551)	528	17,344	(1,210)	16,134
Balance at 1 January 2013	2,291	31,076	15,147	528	49,042	591	49,633
Loss and total comprehensive expense for the period	-	-	(3,625)	-	(3,625)	(310)	(3,935)
Balance at 31 March 2013	2,291	31,076	11,522	528	45,417	281	45,698

Notes to the First Quarterly Financial Statements

For the three months ended 31 March 2014

Notes:

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.

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

3. Revenue and Other Income

	For the three months ended 31 March	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Revenue		
Operation of restaurants	18,198	25,429
Provision of management services	14	206
Sales of processed food	1,097	2,713
	19,309	28,348
Other income		
Interest income	13	7

4. Staff Costs

	For the three months ended 31 March	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Directors' emoluments	229	345
Salaries and other allowances	5,966	7,334
Retirement benefit scheme contributions, excluding those of directors	744	1,295
	6,939	8,974

5. Loss Before Tax

	For the three months ended 31 March	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Loss before tax has been arrived after charging the following:		
Staff costs	6,939	8,974
Depreciation of property, plant and equipment	750	555

6. Income Tax Expenses

	For the three months ended 31 March	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Enterprise income tax in the PRC		
Current income tax	42	57

Hong Kong

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

PRC

PRC subsidiaries were subject to PRC Enterprise Income Tax ("EIT") at a rate of 25% for both periods.

7. Loss Per Share

The calculation of basic loss per share for the three months ended 31 March 2014 are based on the loss attributable to owners of the Company of RMB5,087,000 (loss attributable to owners of the Company for the three months ended 31 March 2013: RMB3,625,000) and the weighted average number of ordinary shares of 280,000,000 (three months ended 31 March 2013: 280,000,000) in issue during the respective periods.

8. Dividends

The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2014 (three months ended 31 March 2013: 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 and Financial Review

Revenue

As at 31 March 2014, we owned and operated seven restaurants under the Group's own brand name "Noble House (名軒)" across different regions in the PRC, including Shanghai, Beijing and Qingdao, managed and operated one restaurant in Dalian. We also operated two restaurants in Shanghai and Ningbo, which are associates of the Group. Apart from these restaurants, we operated a food trading company, named "Noble House Food Trading Company Limited", which was primarily established to provide food production services to the Group's restaurants. In addition, the food trading company 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, retail shops and a local supermarket in Hong Kong and Shanghai.

For the three months ended 31 March 2014, the Group recorded an unaudited turnover of approximately RMB19,309,000, showing a decrease of 31.8% from approximately RMB28,348,000 for the corresponding period of the previous year. The decrease in revenue was mainly attributable to the decrease in revenue generated from operation of restaurants by approximately RMB7,231,000 due to a set of policies issued by the PRC government in 2013. Such policies also adversely affected revenue generated from the provision of management services since losses were also recorded for restaurants that we provided services to.

Revenue from operation of restaurants for the period ended 31 March 2014 was approximately RMB18,198,000, showing a decrease of 28.4% from approximately RMB25,429,000 for the corresponding period of the previous year; meanwhile, revenue generated from the provision of management services also decreased from RMB206,000 for the three months ended 31 March 2013 to RMB14,000 for the same period in 2014.

During the first three months of 2014, sales of processed goods registered a significant decrease by approximately RMB1,616,000 from approximately RMB2,713,000 in the first three months of 2013 to approximately RMB1,097,000 for the corresponding period of the current year. The sales was derived from the food trading company and it 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)", for supply to the Group's restaurants and a local supermarket in Shanghai. The decrease was mainly due to renovation works of the local supermarket selling our processed goods since September 2013, which lower the customer flow in the supermarket. Hence, sales of processed goods decreased significantly in current period.

Gross profit margin

Gross profit represents the revenue less cost of inventories consumed. The gross profit margin of the Group increased slightly from approximately 59.7% for the three months ended 31 March 2013 to approximately 61.1% for the three months ended 31 March 2014, since the extent of decrease in cost of inventories consumed is slightly higher than that of revenue. It was mainly due to the implementation of cost control policies by the Group such as controlled raw material wastes when making dishes and negotiated with suppliers to lower the food costs.

Cost of inventories consumed

The Group's cost of inventories consumed decreased by approximately RMB3,910,000, or by approximately 34.2%, from approximately RMB11,426,000 in the first three months of 2013 to approximately RMB7,516,000 in the first three months of 2014. This decrease was mainly due to decrease in revenue and implementation of cost control policies by the Group.

Staff cost

The Group's staff cost decreased by approximately RMB2,035,000, or by approximately 22.7%, from approximately RMB8,974,000 in 2013's first quarter to approximately RMB6,939,000 in 2014's first quarter. The decreased in the staff cost was primarily due to the decrease in the number of staff of the Group under the cost control policies. As a percentage of the Group's revenue, staff cost increased from approximately 31.7% in 2013's first quarter to approximately 35.9% in 2014's first quarter primarily as a result of the decrease in revenue for the three months ended 31 March 2014.

Depreciation of property, plant and equipment

Depreciation of property, plant and equipment increased by approximately RMB195,000, or approximately by 35.1%, from approximately RMB555,000 in 2013's first quarter to approximately RMB750,000 in 2014's first quarter. The increase was mainly due to full quarter depreciation of equipment and leasehold improvements of Zhangjiang restaurant (opened in January 2013) was charged in 2014 first quarter while only two months depreciation was charged in 2013 first quarter.

Rental and related expenses

Rental and related expenses decreased by approximately RMB749,000, or approximately by 12.9%, from approximately RMB5,823,000 in 2013's first quarter to approximately RMB5,074,000 in 2014's first quarter, which was mainly due to the renewal of certain rental agreements in 2013 with decreased rental fee.

Advertising and marketing expenses

Advertising and marketing expenses amounted to approximately RMB146,000 and RMB1,146,000 in 2014's first quarter and 2013's first quarter respectively, the significant decrease was mainly because of the decrease in the Group's overall advertising activities in the current quarter as compared to early 2013 in view of the implementation of cost control policies and recent market environment.

Other expenses

Other expenses decreased by approximately RMB395,000, or approximately 13.6%, from approximately RMB2,909,000 for the three months ended 31 March 2013 to approximately RMB2,514,000 for the corresponding period of 2014, primarily due to the decreased credit card handling charges, travelling and transportation cost, and the implementation of cost control policies in view of the decrease in revenue.

Income tax expenses

The Group's income tax expense decreased by approximately RMB15,000, or approximately 25.5%, from approximately RMB57,000 for the three months ended 31 March 2013 to approximately RMB42,000 for the three months ended 31 March 2014, as a result of the decrease in taxable profit in 2014's first three-months period as compared to the corresponding period of the previous year. For the first three-months period in 2014, RMB57,000 income tax expenses were charged upon the loss before tax amounting to RMB5,354,000 due to the assessable profit generated by certain subsidiaries of the Group.

Non-controlling interests

Non-controlling interests remained stable at approximately RMB310,000 and RMB 309,000 being share of the Group's loss in the three months ended 31 March 2013 and in the corresponding period of 2014 respectively.

Prospects

In the foreseeable future, the Group will continue the operation of our existing restaurants in PRC and expand the market in food trading business in PRC and Hong Kong. In the meantime, we will also continue to implement cost control policies to overcome the challenging market situation of catering industry. And we will further increase the source of income by cooperating with PRC and Hong Kong larger wholesalers, providing more type of catering services or expanding our production capacities and the range of food products to be produced. Also, we will join some international Food Fairs in Asia Pacific countries in order to promote our processed goods under Group's own brand name "Noble House (名軒)".

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

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

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

Dividends

The Board does not recommend payment of an interim dividend for the three months ended 31 March 2014 (Three months ended 31 March 2013: 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 RMB8,012,000 as at 31 March 2014 (as at 31 March 2013: approximately RMB22,367,000). The net assets of the Group as at 31 March 2014 were approximately RMB16,134,000 (as at 31 March 2013: approximately RMB45,698,000).

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 March 2014 and 31 March 2013 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 RMB, with some denominated in Hong Kong dollars. Any significant exchange rate fluctuations of Hong Kong dollars against RMB as the functional currency may have an impact to the Group.

As at 31 March 2014, the Directors considered the Group's foreign exchange risk to be insignificant. During the three months ended 31 March 2014, 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 2014 as the Group did not have any borrowings as at 31 March 2014.

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 2014. Save for the business plan as disclosed 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 2014.

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

At 31 March 2014, 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	126,000,000 (L)	45%
Mr. Cheung Chi Keung	2	Interest of controlled corporation	126,000,000 (L)	45%

Notes:

- Mr. Chan Tai Neng is deemed to be interested in 126,000,000 Shares held by Blossom Merit Limited under the SFO.
- Mr. Cheung Chi Keung is deemed to be interested in 126,000,000 Share held by Blossom Merit Limited under the SFO.

During the three months ended 31 March 2014, there were no debt securities issued by the Group and the Company at any time.

Saved as disclosed above, at 31 March 2014, 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 2014, 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	126,000,000 (L)	45%
Uprise Global Investments Limited	Interest of controlled corporation	56,000,000 (L)	20%

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 2014.

During the three months ended 31 March 2014, there were no debt securities issued by the Group at any time.

Save as disclosed above, as at 31 March 2014, 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 shares, underlying shares and debentures of the Company" above, at no time during the three months ended 31 March 2014 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 2014.

Compliance Adviser's Interest in the Company

As at 31 March 2014, 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 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 31 March 2014, the audit committee of the Company consists of three members, namely Mr. Tse Wai Chuen, Tony, Mr. Wang Zhi Zhong and Mr. Yeung Chi Wai, who 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 2014 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, 9 May 2014

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