NOBLE JEWELRY HOLDINGS LIMITED
億鑽珠寶控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 00475)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2009

The board of directors (the "Board") of Noble Jewelry Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries ("Noble Jewelry" or the "Group") for the financial year ended 31 March 2009 together with the comparative figures for the financial year ended 31 March 2008 as follows:

CONSOLIDATED INCOME STATEMENT
For the year ended 31 March

	Notes	***2009*** ***HK$'000***	2008 *HK$'000*
Turnover	3	**631,947**	761,976
Cost of sales		**(484,346)**	(564,973)
Gross profit		**147,601**	197,003
Other revenue	3	**3,657**	4,045
Distribution costs		**(35,254)**	(35,661)
Administrative expenses		**(109,378)**	(83,093)
Other gains and losses	4	**15,429**	434
Finance costs		**(10,315)**	(12,908)
Share of (losses)/profits of associates, net		**(6,141)**	1,022
Profit before taxation	5	**5,599**	70,842
Taxation	6	**(4,269)**	(10,215)
Profit for the year attributable to the equity holders of the Company		**1,330**	60,627
Dividends	7	**5,434**	27,170
Earnings per share *(HK cents) – basic and diluted*	8	**0.49**	22.57

CONSOLIDTED BALANCE SHEET
At 31 March

	Notes	*2009* *HK$'000*	2008 *HK$'000*
Assets and liabilities			
Non-current assets			
Property, plant and equipment		**49,004**	34,524
Associates	12	**62,874**	17,097
Other intangible assets		**-**	2,697
Deposits		**1,257**	7,480
Deferred tax assets		**1,105**	1,824
		114,240	63,622
Current assets			
Inventories		**250,615**	306,325
Accounts receivable	9	**107,255**	136,437
Other receivables, deposits and prepayments		**15,756**	16,503
Amounts due from related parties	12	**8,700**	12,613
Cash at banks and in hand		**14,344**	34,157
		396,670	506,035
Non-current assets classified as held for sale		**-**	46,769
		396,670	552,804
Current liabilities			
Bank borrowings		**137,262**	155,077
Accounts payable	10	**47,461**	139,291
Other payables and accrued charges		**43,681**	33,490
Amounts due to related parties	12	**4,363**	1,372
Obligations under finance leases		**119**	119
Derivative financial instruments		**-**	5,697
Tax payables		**806**	3,936
		233,692	338,982
Net current assets		**162,978**	213,822
Total assets less current liabilities		**277,218**	277,444
Non-current liabilities			
Bank borrowings		**22,851**	8,186
Obligations under finance leases		**40**	159
		22,891	8,345
Net assets		**254,327**	269,099
Equity			
Share capital		**2,717**	2,717
Reserves		**251,610**	266,382
Total equity		**254,327**	269,099

NOTES TO THE FINANCIAL STATEMENTS

1. ORGANISATION AND OPERATION

The Company was incorporated and registered as an exempted company with limited liability on 25 August 2006 under the Companies Law of the Cayman Islands and acts as an investment company. Its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 17 April 2007. Its registered office is situate at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Group is principally engaged in the design, manufacture and trading of fine jewelry products.

The financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations ("HK(IFRIC)") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are relevant to its operations and effective for the current accounting period of the Group and the Company. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting policies.

The adoption of HK(IFRIC) – Int 11 "HKFRS 2 – Group and treasury share transactions", HK(IFRIC) – Int 12 "Service concession arrangements", HK(IFRIC) – Int 14 "HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction" and HKAS 39 & HKFRS 7 Amendments "Reclassification of financial assets" has no material impact on the financial statements.

At the date of authorisation of the financial statements, the following Standards and Interpretations were in issue but not yet effective:

		Effective date
HKAS 1 (Revised)	Presentation of financial statements	(i)
HKAS 23 (Revised)	Borrowing costs	(i)
HKAS 32 & HKAS 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation	(i)
HKFRS 1 & HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate	(i)
HKFRS 8	Operating segments	(i)
HK(IFRIC) – Int 15	Agreements for the construction of real estates	(i)
HKFRS 2 (Amendment)	Vesting conditions and cancellations	(i)
HKFRS 7 (Amendment)	Improving disclosures about financial instruments	(i)
HKAS 27 (Revised)	Consolidated and separate financial statements	(ii)
HKAS 39 (Amendment)	Eligible hedged items	(ii)
HKFRS 1 (Revised)	First-time adoption of HKFRSs	(ii)
HKFRS 3 (Revised)	Business combinations	(ii)
HK(IFRIC) – Int 17	Distributions of non-cash assets to owners	(ii)
HK(IFRIC) – Int 13	Customer loyalty programmes	(iii)
HK(IFRIC) – Int 16	Hedges of a net investment in a foreign operation	(iv)
HK (IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded derivatives	(v)
HK(IFRIC) – Int 18	Transfers of assets from customers	(vi)

2008 Improvements to HKFRSs that may result in accounting changes for presentation, recognition or measurement	- HKAS 1, HKAS 16, HKAS 19, HKAS 20, HKAS 23, HKAS 27, HKAS 28, HKAS 29, HKAS 31, HKAS 36, HKAS 38, HKAS 39, HKAS 40 & HKAS 41	(i)
	- HKFRS 5	(ii)
2009 Improvements to HKFRSs that may result in accounting changes for presentation, recognition or measurement	- HKFRS 2, HKFRS 5, HKFRS 8, HKAS 1, HKAS 7, HKAS 17, HKAS 18, HKAS 36, HKAS 38, HKAS 39, HK(IFRIC)-Int 9 & HK(IFRIC)-Int 16	(vii)

<u>*Effective date*</u>

(i) Annual periods beginning on or after 1 January 2009
(ii) Annual periods beginning on or after 1 July 2009
(iii) Annual periods beginning on or after 1 July 2008
(iv) Annual periods beginning on or after 1 October 2008
(v) Annual periods ending on or after 30 June 2009
(vi) Transfers of assets from customers received on or after 1 July 2009
(vii) Annual periods beginning on or after 1 January 2009, 1 July 2009 and 1 January 2010 as appropriate

The Group is in the process of making an assessment of what the impact of these new or revised Standards or Interpretations is expected to be in the period of their initial application.

3. TURNOVER, OTHER REVENUE AND SEGMENT INFORMATION

(a) Turnover represents the invoiced value of goods sold less returns and discounts. Revenues recognised during the year are analysed as follows:

	2009	2008
	HK$'000	*HK$'000*
Turnover		
Sales	**631,947**	761,976
Other revenue		
Sundry income	**1,398**	542
Income from sale of raw materials	**1,365**	1,806
Bank interest income	**537**	1,363
Management fee income	**357**	334
	3,657	4,045
Total revenue	**635,604**	766,021

(b) Business segments

No segment analysis by business segments is presented as the Group principally operates in one business segment, which is the design, manufacture and trading of fine jewelry products.

(c) Geographical segments

An analysis by geographical segments is as follows:

	2009	2008
	HK$'000	*HK$'000*
(i) Turnover		
- Hong Kong	**20,925**	41,200
- The People's Republic of China, other than Hong Kong ("PRC")	**58,043**	51,782
- Japan	**30,889**	41,555
- America	**104,057**	161,827
- Europe	**173,598**	229,426
- The Middle East	**207,971**	190,060
- Others	**36,464**	46,126
	631,947	761,976

		2009	2008
		HK$'000	*HK$'000*
(ii)	Additions to property, plant and equipment		
	- Hong Kong	**50**	1,281
	- PRC	**21,923**	21,077
	- America	**120**	234
	- Others	**-**	6
		22,093	22,598
(iii)	Segment assets		
	- Hong Kong	**301,754**	429,826
	- PRC	**112,130**	65,767
	- Japan	**1,919**	2,816
	- America	**63,417**	76,011
	- Europe	**30,511**	39,806
	- The Middle East	**74**	376
		509,805	614,602

4. OTHER GAINS AND LOSSES

	2009	2008
	HK$'000	*HK$'000*
Net fair value losses of forward currency contracts not qualifying as hedges	**-**	(575)
Hedge ineffectiveness on cash flow hedges	**-**	(71)
Gain on settlement of forward currency contracts upon maturity	**575**	199
Gain on disposal of assets in respect of leasehold land and buildings reclassified as held for sale	**13,406**	-
Gain on disposal of property, plant and equipment	**1,238**	700
Gain on disposal of a subsidiary	**5**	-
Others	**205**	181
Net gains	**15,429**	434

5. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging the following:

	2009	2008
	HK$'000	*HK$'000*
Cost of inventories	**484,346**	564,973
Depreciation of property, plant and equipment	**5,309**	5,297
Staff costs (including directors' remuneration)	**108,793**	99,332
Auditors' remuneration	**1,201**	1,162
Provision for bad and doubtful debts, net	**2,094**	2,119
Impairment of goodwill	**-**	1,491
Impairment of other intangible assets	**2,697**	545
Exchange losses, net	**8,782**	2,128
Bad debts written off	**4,491**	301

6. TAXATION

Taxation in the consolidated income statement represents:

	2009	2008
	HK$'000	*HK$'000*
Current tax – Hong Kong		
- for the current year	**3,365**	6,772
- under provision in prior years	**419**	678
Current tax – Overseas		
- for the current year	**216**	2,418
- under provision in prior years	**468**	177
	4,468	10,045
Deferred taxation		
- attributable to the origination and reversal of temporary differences	**(199)**	116
- resulting from a change in tax rate in Hong Kong	**-**	54
	4,269	10,215

(i) Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 17.5%) on the estimated assessable profit for the year.

(ii) PRC enterprise income tax

Guangzhou Noble Jewelry Limited is a wholly foreign-owned enterprise operated in the PRC with applicable tax rate at 24%. It is entitled to two-year tax exemption for 2005 and 2006 and three-year 50% tax relief for 2007 till 2009.

Guangzhou Sinoble Jewelry Limited is a wholly foreign-owned enterprise operated in the PRC with applicable tax rate at 25%. It is entitled to two-year tax exemption for 2009 and 2010 and three-year 50% tax relief for 2011 till 2013.

Shanghai Noble Concepts Jewelry Limited is a wholly foreign-owned enterprise operated in the PRC with applicable tax rate at 25%.

On 16 March 2007, the National People's Congress promulgated the PRC Enterprise Income Tax Law, which became effective from 1 January 2008. According to the new tax law, the standard enterprise tax rate for enterprises in the PRC will be reduced from 33% to 25%.

The State Council of the PRC passed an implementation guidance note ("Implementation Guidance") on 26 December 2007, which sets out details of how existing preferential income tax rates will be adjusted to the standard rate of 25%. According of the Implementation Guidance, certain PRC enterprises of the Group which have not fully utilised its five-year tax holiday will be allowed to continue to receive benefits of the full exemption from a reduction in income tax until expiry of the tax holiday, after which the 25% standard rate will apply.

(iii) Overseas income tax

Taxation for overseas subsidiaries is similarly charged at the appropriate current rates of taxation ruling in the relevant countries.

(iv) Tax effect of share of (losses)/profits of associates

The share of tax charge attributable to associates amounting to HK$40,000 (2008: HK$509,000) and is included in "Share of (losses)/profits of associates, net" on the face of the consolidated income statement.

7. DIVIDENDS

Dividends payable to equity holders of the Company attributable to the year:

	2009	2008
	HK$'000	*HK$'000*
Interim dividend declared and paid of HK$0.02 (2008: HK$0.04) per ordinary share	**5,434**	10,868
Final dividend proposed after the balance sheet date of HK$Nil (2008: HK$0.06) per ordinary share	**-**	16,302
	5,434	27,170

The Board did not recommend the payment of a final dividend for the year ended 31 March 2009 (2008: HK$0.06 per ordinary share).

8. EARNINGS PER SHARE

The calculation of basic earnings per share for the year ended 31 March 2009 is based on the profit attributable to equity holders of the Company of HK$1,330,000 (2008: HK$60,627,000) and 271,700,000 (2008: weighted average of 268,659,563) ordinary shares in issue during the year, calculated as follows:

	2009	2008
Issued ordinary shares at beginning of year	**271,700,000**	20,000,000
Effect of capitalisation issue	**-**	188,000,000
Effect of placing and public offering	**-**	49,726,776
Effect of shares issued upon the exercise of the over-allotment option	**-**	10,932,787
Weighted average number of ordinary shares	**271,700,000**	268,659,563

Diluted earnings per share for the years ended 31 March 2009 and 2008 are the same as the basic earnings per share of the share options outstanding at the year end had an anti-dilutive effect on the basic earnings per share for these years.

9. ACCOUNTS RECEIVABLE

The Group normally allows a credit period ranging from 30 to 180 days to its customers.

All of the accounts receivable (net of allowance for bad and doubtful debts) are expected to be recovered within one year.

An ageing analysis of accounts receivable (net of allowance for bad and doubtful debts) is as follows:

	The Group	
	2009	2008
	HK$'000	*HK$'000*
Within 1 month	**30,026**	44,486
Over 1 month but within 3 months	**25,209**	45,791
Over 3 months but within 6 months	**27,315**	34,585
Over 6 months but within 1 year	**23,331**	10,765
Over 1 year	**1,374**	810
	107,255	136,437

10. ACCOUNTS PAYABLE

An ageing analysis of accounts payable of the Group is as follows:

	The Group	
	2009	2008
	HK$'000	*HK$'000*
Within 1 month	**8,555**	43,015
Over 1 month but within 3 months	**3,896**	43,259
Over 3 months but within 6 months	**20,989**	52,913
Over 6 months	**14,021**	104
	47,461	139,291

All of the accounts payable are expected to be settled within one year.

11. SUBSEQUENT EVENT

On 26 May 2009, the Company's wholly-owned subsidiary, Noble Jewelry Limited, entered into a joint venture agreement (the "JV Agreement") with Glorious (China) Limited (the "JV Partner") relating to the formation of a joint venture company for the purpose of establishing a retail platform and exploring jewelry road show business in Sam's Club operated by Wal-Mart in the United States (the "US"). Upon the completion of the JV Agreement, the joint venture company is owned as to 70% by the Group and 30% by the JV Partner, respectively.

In addition, on even date, Noble Jewelry Limited entered into the loan agreement with the JV Partner, pursuant to which Noble Jewelry Limited shall make available a loan of up to US$1 million to the JV Partner for its business development. Up to the date of this announcement of annual results, Noble Jewelry Limited has advanced US$1 million to the JV Partner.

Further details of the formation of the joint venture and financial assistance to the JV Partner are disclosed in the Company's announcement dated 26 May 2009.

12. COMPARATIVE FIGURES

Amounts due from/(to) associates, net of HK$662,000 included in associates at 31 March 2008 was reclassified to amounts due from/(to) related parties in current assets/ (liabilities) to conform with the current year presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

Operating Results

The global financial crisis that has spread across economies since 2008 hits almost all industries and especially luxury goods industry. It dampened consumption sentiment sending jewelry business worldwide into the slump. Facing shrunk demand for fine jewelry from most of its overseas markets, the Group implemented a number of measures aiming to sustain business performance during such challenging times. To mitigate the drop in demand in the US and European markets, which are the hardest hit in this economic slowdown, the Group expanded its distribution networks and as a result minimised the adverse impact of the financial tsunami. Due to the above move and the implementation of stringent cost control, the Group was able to report a slight profit. For the year ended 31 March 2009, the Group recorded turnover of HK$631.9 million (2008: HK$762.0 million) with gross profit margin at 23.4% (2008: 25.9%). Net profit attributable to shareholders was HK$1.3 million (2008: HK$60.6 million). Basic earnings per share of the Company were approximately 0.5 HK cents (2008: 22.6 HK cents). With a view to conserve cash holdings, the Board did not recommend the payment of a final dividend for the year ended 31 March 2009 (2008: HK$0.06 per ordinary share)..

Business Review

Sales Analysis by Geographical Markets

During the year, the Group's efforts in market diversification and marketing continued to pay off, bringing in boosted number of markets and clients which to certain extent mitigated the impact of sales drop in the US and Europe. The Middle East markets especially Saudi Arabia reported the strongest sales revenue, totaling HK$208.0 million, or 32.9% of the Group's turnover, representing a 9.4% growth against the previous year. In the American and European markets, because of poor consumption sentiment and weak European currencies in the second half of the fiscal year, sales fell to HK$104.0 million and HK$173.6 million, accounting for 16.5% and 27.5% respectively of the total turnover. Sales to the PRC, which has been relatively less affected by the financial crisis, grew by 12.1% to HK$58.0 million, accounting for 9.2% of the total turnover. Continuous efforts of the Group to expand its distribution network in PRC also contributed to the increase in sales. As for turnover from Asian-Pacific markets (excluding PRC), it fell by 31.5% to HK$88.3 million reflecting mainly the significant drop in sales to the Hong Kong and Japanese markets.

Sales Analysis by Business

Original Design Manufacturing ("ODM") and Original Brand Manufacturing ("OBM") services, both belong to the Group's wholesale business, recorded total sales of HK$592.0 million, accounting for 93.7% of the Group's total turnover. During the year, by offering comprehensive Original Strategic Management ("OSM") support to customers helping them to formulate business expansion and development strategies, the Group continued to see generic ODM customers switching to use its customised services. The business segment thus continued to bring steady income and delivered a higher profit margin to the Group during the year despite a general market slowdown.

Sales of the Group's brand business totaled HK$39.9 million, accounting for 6.3% of the Group's total turnover. The Group currently owns various fine jewelry brands including the US brand Chad Allison, Spanish brand OriDiam, Italian designer brand LAVITA and Japanese designer brand d'Nouve. Brand business will continue to be a development focus of the Group riding on its successful OSM operation. Chad Allison completed revitalising its operations in the US and OriDiam consolidated its foothold in the Spanish market. Although the economic downturn is expected to continue for a while in their respective markets, the management expects that the brand business of the Group will grow steadily and help improve the Group's profit margin especially when markets rebound.

Margin Analysis

Recession in the US and European markets, high raw material prices and fluctuating exchange rates of the US dollar and European currencies in the second half of the fiscal year were major challenges faced by the Group during the year. Gross profit margin of the Group was down to 23.4% because of higher purchase prices of raw materials in stock and lower selling prices of products under worldwide market pressure. However, all taken into account, the Group was still able to make overall a slight profit. To tackle the challenges, the Group focused on selling to quality customers with growth potential and those who can contribute steady and significant revenues to the Group and also bear price fluctuation. Other ongoing proven practices, such as lean manufacturing, adoption of sophisticated designs and advanced techniques for crafting clustered diamonds, and recycling of outmoded jewelry pieces, also enabled the Group to cap costs.

To enhance its brands and retail businesses for long-term development, the Group strengthened its sales and brand management teams, especially for the PRC market, which pushed up staff cost. Furthermore, investment was made by the Group in PRC to establish its first retail store in Shanghai. Delayed payment by customers because of the economic downturn commanded the Group to increase provision for bad and doubtful debts. All such factors contributed to a further decline in the Group's net profit margin. To better control its operating expenses, the Group streamlined its production to lower costs, increased sub-contracting of certain production processes and reduced inventory level. It also attempted to shorten the account receivable cycle and called back delivered products from customers overdue in payment. The recalled products were resold or recycled to enhance cash flow and trim loss. These measures had effectively braced the financial health of the Group in the volatile market.

Business Development in the PRC

The Group acquired 20% equity interest in Shanghai City Temple The First Shopping Center Company Limited, which owns the well-known "Chenghuang Jewellery'' brand in Mainland China. With the strategic alliance giving it the platform, the Group opened its first directly-operated store (DOS) J'nobelle in Shanghai in the first quarter of 2009 to offer medium to high-end jewelry carrying international designer brands and the Group's own brands to mainland consumers. The acquisition marked the Group's entry to the PRC jewelry retail market. The Group will constantly review its business strategy in PRC with the aim of achieving long-term growth.

Prospects

Although it is generally believed that the worst of the financial crisis is over, uncertainties in the market continue to burden economies and the business environment will remain difficult for the jewelry industry in the near future. By continuing to diversify markets and building on its OSM model as well as actively controlling cost and pursuing new business initiatives in PRC and other markets, the Group will have a strong foundation to overcome the challenges ahead and quickly revive its business when the global economy rebounds.

Wholesale Business

By consistently diversifying the markets and customer segments for its wholesale business, the Group has been able to spread risks and alleviate the impact of the economic turmoil on its operations. The new markets secured by the Group during the year such as Italy, Czech Republic, Norway, Monaco, Yemen and Nigeria, appeared to have been relatively less affected by the financial crisis. As for markets the Group entered previously including the Russian Federation, Argentina, Venezuela, Syrian Arab Republic, Iran, etc., benefiting from effective sales strategies, they reported growth in the fiscal year. The Group will continue to consolidate its customer base in these markets to ensure continuous business growth in the coming year. In the PRC market, the Group has made significant progress with the development of distribution networks and intends to continue its related efforts in the coming year. Also, it will strive to maintain a leading foothold in the Middle East, one of its primary markets with high purchasing power. To optimise resources application, the Group will continue to enhance its customer knowledge management (CKM) system to strengthen its customer database management and to focus on serving major and financially healthy customers.

Sales Network Collaboration

The Group has been seeking opportunities to expand its customer base so as to drive business growth. It believes collaboration with leading retail chain stores, in addition to traditional independent retailers and wholesalers, will boost direct sales revenue to the Group in the long run. Thus, in May 2009, the Group formed a joint venture, in which it owns 70% equity interest, for establishing a retail platform and exploring jewelry road show business in Sam's Club operated by Wal-Mart in the US, which is expected to commence in the last quarter of 2009. Riding on the famous brand name and strong sales networks of Sam's Club, the Group will be able to directly reach retail customers in the US with competitively priced products that promise better profit margins. This will be a new business model of the Group in the US and is expected to pave the path for collaboration with other sales networks in the market in the future. For the PRC market, the Group formed a joint venture with a local jewelry distributor in Shandong Province in March 2009, aiming to enhance its wholesale business and developing its retail operation leveraging the distributor's customer base in the area. The Group will continue to explore collaboration opportunities with other sales network operators for exploration of Business-to-Business-to-Customers (B2B2C) model.

Retail Business

The Group will focus on growing its retail operation in the potential-rich PRC market in the coming year. Leveraging the business collaboration with Chenghuang Jewellery and having launched its first directly-operated store J'nobelle in Shanghai in the first quarter of this year, the Group will open a few retail stores in selected prime location in Eastern China such as Shanghai and Hangzhou to explore retail business opportunities with caution heeding the economic slowdown. As the Chinese consumers are becoming more sophisticated with more discerning tastes in their quest for quality jewelry, the Group is confident of the long-term growth of its jewelry business in the PRC market.

Brand Business

The Group has been developing its brand business in recent years expecting the business to help improve its profit margin and boost the value of its business thereby ensuring long-term growth. In addition to Chad Allison and OriDiam, the Group has been working with renowned overseas designers to develop new products such as the Italian designer brand LAVITA and Japanese designer brand d'Nouve during the year to consolidate its brand business. The Group also plans to launch brand distribution business by end of 2009 via its extensive sales networks in different regions such as the US and PRC. The Group will continue to look for and explore more new distribution channels that are conducive to growth of the business.

Noble Jewelry has been swift in consolidating its fundamentals to defend its business amid adversities. The Group is well prepared to withstand the challenges in the coming year with the support of its proven OSM business model, top-notch design and product development team capable of creating high-margin products. Continuous efforts will be spent in diversifying markets, expanding sales networks and implementing prudent business strategies and stringent cost control. The management is confident of achieving long-term sustainable development and bringing fruitful returns to shareholders despite the slowdown in the global market.

Liquidity and Financial Resources

As at 31 March 2009, the Group's liquidity position was maintained, as a result of the stringent cost control, at a level to minimise the adverse impact of the financial downturn.

As at 31 March 2009, the Group's net current assets and current ratio stood at HK$163.0 million and 1.70 respectively (2008: HK$213.8 million and 1.63 respectively). Net gearing ratio (total interest bearing borrowings net of cash at banks and in hand as a percentage of total equity less other intangible assets) was 57.3% as at 31 March 2009 (2008: 48.5%). The decrease in net current assets and the increase in net gearing ratio for the year under review were mainly attributable to the decrease in inventories, accounts receivable, and the disposal of the property classified as assets held for sale during the year.

The Group's total bank borrowings including bank overdrafts and bank loans as at 31 March 2009 were decreased by 2.0% over last year to HK$160.1 million (2008: HK$163.3 million), of which the total bank borrowings in US dollar amounted to US$ 2.1 million (2008: US$ 3.3 million).

The Group's banking facilities, comprising primarily bank overdrafts and bank loans, amounted to HK$308.8 million as at 31 March 2009, out of which approximately HK$148.6 million was unutilised.

As at 31 March 2009, the Group's cash and bank balances amounted to HK$14.3 million (2008: HK$34.2 million).

Charges on Group Assets

As at 31 March 2009, the Group's banking facilities were not secured by any of the Group's assets while the Group's banking facilities were secured by the Group's land and buildings with carrying amounts of HK$19.5 million and bank fixed deposits of HK$1.1 million respectively as at 31 March 2008.

Capital Structure

For the year ended 31 March 2009, the Group financed its liquidity requirements through a combination of cash flow as generated from operation and bank borrowings.

Capital Commitment and Contingent Liabilities

As of 31 March 2009, the Group has HK$2.9 million of capital commitments (2008: HK$3.2 million).

As at 31 March 2009, the Group did not have any contingent liabilities (2008: Nil).

Staff and Remuneration Policy

As at 31 March 2009, the Group had a total of 1,080 employees (2008: 1,695). Staff costs for the year ended 31 March 2009 was HK$108.8 million, representing an increase of 9.6% as compared to 2008 of HK$99.3 million. The Group remunerates its employees based on their performance and work experience and the prevailing market rates. Salaries of employees are maintained at competitive levels while bonuses are granted by reference to the performance of the Group and individual employees.

The Group has approved and adopted a share option scheme on 26 February 2007 for its employees and other eligible participants with a view to providing an incentive to or as a reward for their contributions to the Group. An aggregate of 2,930,000 share options were outstanding as at the date of this announcement.

Foreign Exchange Fluctuation and Hedges

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollars, British Pounds, Euros, Japanese Yen and China Renminbi. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

During the year, the Group entered into foreign currency forward contracts. The purpose is to manage the currency risks arising from the Group's highly probable foreign currency forecast sales.

At 31 March 2009, no forward currency contract is designed as hedges (2008: HK$5,122,000).

FINAL DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the year ended 31 March 2009 (2008: HK$0.06 per ordinary share). A dividend of HK$0.02 per ordinary share (2008: HK$0.10) has been paid in respect of the current financial year.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from Wednesday, 26 August 2009 to Friday, 28 August 2009 (both dates inclusive), during which period no transfer of shares will be effected. In order to qualify to attend and vote at the forthcoming annual general meeting, all transfers of shares accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 25 August 2009.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company has applied the principles and compiled with all the applicable code provisions set out in the Code throughout the year ended 31 March 2009.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the ''Model Code'') as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all directors of the Company, they confirmed that they have complied with the required standard set out in the Model Code during the year ended 31 March 2009.

REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with the code provisions under the Code set out in Appendix 14 to the Listing Rules. The audit committee comprises three independent non-executive directors, namely Mr. Chan Cheong Tat, Mr. Tang Chiu Ming Frank and Mr. Yu Ming Yang. The Group's annual results for the year ended 31 March 2009 have been reviewed by the audit committee at an audit committee meeting held on 16 July 2009 with all committee members attended the meeting.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed shares during the year ended 31 March 2009.

ANNUAL GENERAL MEETING AND DESPATCH OF 2009 ANNUAL REPORT

The annual general meeting (the ''AGM'') of the Company will be held on Friday, 28 August 2009 at 10:00 a.m. The annual report of the Company together with the notice of the AGM will be dispatched to shareholders of the Company and will also be published on the Company's website at www.noble.com.hk and the Stock Exchange's website at www.hkexnews.hk in due course.

By order of the Board
NOBLE JEWELRY HOLDINGS LIMITED
CHAN Yuen Hing
Chairman

Hong Kong, 16 July 2009

As at the date of this announcement, the executive directors of the Company are Mr. Chan Yuen Hing, Mr. Tang Chee Kwong, Ms. Chan Lai Yung, Mr. Chan Wing Nang, Mr. Tsang Wing Ki and Mr. Yu Yip Cheong, the independent non-executive directors are Mr. Chan Cheong Tat, Mr. Tang Chiu Ming Frank and Mr. Yu Ming Yang.