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NOBLE CENTURY INVESTMENT HOLDINGS LIMITED

仁瑞投資控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 2322)

DISCLOSEABLE TRANSACTION IN RELATION TO CAPITAL INCREASE AGREEMENT

CAPITAL INCREASE AGREEMENT

The Board would like to announce that on 12 September 2016 (after trading hours of the Stock Exchange), Noble Century Trading, being an indirect wholly-owned subsidiary of the Company, Mr. Liu and the Target Company entered into the Capital Increase Agreement, pursuant to which (i) the registered capital of the Target Company shall be increased from RMB10 million (equivalent to approximately HK\$11.6 million) to RMB200 million (equivalent to approximately HK\$232 million); and (ii) Noble Century Trading agrees to contribute RMB150 million (equivalent to approximately HK\$174 million) in cash and Mr. Liu agrees to contribute RMB40 million (equivalent to approximately HK\$46.4 million) in cash to the registered capital of the Target Company as enlarged.

Upon completion of the Registration, Noble Century Trading will hold 75% of the equity interest in the Target Company and the Target Company will become an indirect non-wholly owned subsidiary of the Company.

Pursuant to the Capital Increase Agreement, Noble Century Trading, Mr. Liu and the Target Company shall, within ten (10) Business Days from the date on which completion of the Registration takes place, enter into the Loan Agreement in relation to the provision of revolving loan facilities of up to RMB90 million (equivalent to approximately HK\$104.4 million) to the Target Company.

Further, pursuant to the Capital Increase Agreement, (i) Noble Century Trading, Mr. Liu and the Target Company shall, within ten (10) Business Days from the date on which completion of the Registration takes place, execute the Charge, pursuant to which, Mr. Liu shall grant a charge on 25% equity interest in the Target Company (being the entire equity interest in the Target Company held by Mr. Liu after completion of the Registration) in favour of Noble Century Trading as security for the due and punctual performance of the obligations of the Target Company under the Loan Agreement; and (ii) Noble Century Trading and Mr. Liu shall, within ten (10) Business Days from the date on which completion of the Registration takes place, execute the Personal Guarantee, pursuant to which, Mr. Liu shall grant a personal guarantee in favour of Noble Century Trading as security for the due and punctual performance of the obligations of the Target Company under the Loan Agreement.

LISTING RULES IMPLICATIONS

As the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Capital Increase Agreement and the transactions contemplated thereunder (including the capital contribution under the Capital Increase Agreement and the provision of the revolving loan facilities under the Loan Agreement) are more than 5% but less than 25%, the entering into of the Capital Increase Agreement constitutes a discloseable transaction on the part of the Company under the Listing Rules and is subject to the notification and announcement but is exempt from shareholder's approval requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board would like to announce that on 12 September 2016 (after trading hours of the Stock Exchange), Noble Century Trading, being an indirect wholly-owned subsidiary of the Company, Mr. Liu and the Target Company entered into the Capital Increase Agreement, pursuant to which (i) the registered capital of the Target Company shall be increased from RMB10 million (equivalent to approximately HK\$11.6 million) to RMB200 million (equivalent to approximately HK\$232 million); and (ii) Noble Century Trading agrees to contribute RMB150 million (equivalent to approximately HK\$174 million) in cash and Mr. Liu agrees to contribute RMB40 million (equivalent to approximately HK\$46.4 million) in cash to the registered capital of the Target Company as enlarged.

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THE CAPITAL INCREASE AGREEMENT

The principal terms of the Capital Increase Agreement are set out below:

Date: 12 September 2016

Parties

- (1) Noble Century Trading;
- (2) Mr. Liu; and
- (3) the Target Company.

The Target Company is a company established in the PRC with limited liability and is principally engaged in electronic products trading business, and its entire equity interest is owned by Mr. Liu as at the date of this announcement. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Target Company, its ultimate beneficial owner, Mr. Liu, and the associates of Mr. Liu is an Independent Third Party.

Capital Increase

As at the date of this announcement, the registered capital of the Target Company amounts to RMB10 million (equivalent to approximately HK\$11.6 million) which has been fully paid-up.

Pursuant to the Capital Increase Agreement, (i) the registered capital of the Target Company shall be increased from RMB10 million (equivalent to approximately HK\$11.6 million) to RMB200 million (equivalent to approximately HK\$232 million); and (ii) Noble Century Trading agrees to contribute RMB150 million (equivalent to approximately HK\$174 million) in cash and Mr. Liu agrees to contribute RMB40 million (equivalent to approximately HK\$46.4 million) in cash to the registered capital of the Target Company as enlarged.

It is agreed that the contribution to the registered capital of the Target Company as enlarged under the Capital Increase Agreement shall be used for (i) business expansion of the Target Company; and (ii) such other purpose as may be determined by the board of directors of the Target Company.

The amount of the capital contribution under the Capital Increase Agreement was arrived at after arm's length negotiation between Noble Century Trading, Mr. Liu and the Target Company with reference to the following factors, (i) the Net Asset Value Guarantee; (ii) the Profit Guarantee; (iii) the business prospects of the Target Company; and (iv) the reasons set out in the section headed "Reasons for and benefits of the entering into of the Capital Increase Agreement" in this announcement below.

The Group intends to finance the capital contribution by internal resources.

Conditions precedent

Completion is conditional upon the fulfillment or waiver (as the case may be) of, among others, the following conditions:

- (1) all necessary consents and approvals required to be obtained on the part of the Target Company, including but not limited to the shareholders' resolution approving the Capital Increase Agreement, having been obtained;
- (2) all necessary consents, authorisations, licences and approvals required to be obtained from regulatory authorities in respect of the Capital Increased Agreement, the necessary amendment on the articles of association of the Target Company and the transactions contemplated thereunder having been obtained;
- (3) Noble Century Trading being satisfied with the results of its due diligence review to be conducted on the audit, business, financial and legal affairs of the Target Company;
- (4) all necessary consents and approval required to be obtained under any laws, regulations, contracts or such other binding documents from any third parties to ensure the Target Company to continue to have the same contractual rights or otherwise after Completion having been obtained;
- (5) there is no material adverse change to the business of the Target Company (i.e. over 20% decrease in revenue other than any adjustment made pursuant to quality management), revocation, withdrawal or cancellation of any business license of the Target Company (or any notice from any PRC government authority threatening such revocation, withdrawal or cancellation), severe damage or loss on substantial equipment, property or information to be deployed on the business development of the Target Company, or any transfer of the equity interest in the Target Company without prior written consent of Noble Century Trading; and
- (6) the reorganisation of the board of directors of the Target Company as set out in the paragraph headed "Reorganisation of the board of directors of the Target Company" in this announcement below having been completed.

Mr. Liu and the Target Company shall use their best endeavour to procure the fulfillment of all the conditions precedent of the Capital Increase Agreement.

Noble Century Trading may at any time before Completion waive the conditions set out in sub-paragraphs (3), (4), (5) and (6) above. For the avoidance of doubt, conditions set out in sub-paragraphs (1) and (2) above are incapable of being waived. If the conditions precedent of the Capital Increase Agreement have not been fulfilled (or otherwise waived) on or before the date falling six (6) months from the date of the Capital Increase Agreement, or such later date may be agreed among Noble Century Trading, Mr. Liu and the Target Company, the non-defaulting parties may terminate the Capital Increase Agreement by written notice to other parties and the Capital Increase Agreement shall cease and determine, and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof. Noble Century Trading has no current intention to waive any of the conditions set out in sub-paragraphs (3), (4), (5) and (6) above.

Registration

Within two (2) months from the date of fulfillment or waiver (if appropriate) of the conditions precedent of the Capital Increase Agreement or such later date may be agreed among Noble Century Trading, Mr. Liu and the Target Company, the Target Company shall complete and Noble Century Trading shall assist to complete, all registrations in relation to (i) the increase in the registered capital of the Target Company under the Capital Increase Agreement; and (ii) Noble Century Trading becoming the owner of 75% equity interest in the Target Company (the “**Registration**”).

In the event that the Registration is not completed within the timeframe set out above, Noble Century Trading and Mr. Liu may withhold from making contribution to the registered capital of the Target Company as enlarged without any liability.

Loan Agreement

Pursuant to the Capital Increase Agreement, Noble Century Trading and Mr. Liu shall enter into the Loan Agreement with the Target Company within ten (10) Business Days from the date on which completion of the Registration takes place.

The Group intends to finance the provision of the revolving loan facilities under the Loan Agreement by internal resources and/or fund raising activities. As at the date of this announcement, no plan or proposal has been made nor any written agreement been entered into in respect of any fund raising activities.

The principal terms of the Loan Agreement are set out below:

- Date** : within ten (10) Business Days from the date on which completion of the Registration takes place
- Parties** : (i) Noble Century Trading, as the lender;
(ii) the Target Company, as the borrower; and
(iii) Mr. Liu, as a third party.

- Principal amount of the revolving loan facilities** : up to RMB90 million (equivalent to approximately HK\$104.4 million) at any time during the availability period
- Availability period** : a period of five (5) years from the Completion Date or a period commencing from the Completion Date and ending on the date on which Noble Century Trading ceases to hold any equity interest in the Target Company, whichever is earlier
- Final repayment date** : the date falling the fifth (5th) anniversary of the Completion Date or the date on which Noble Century Trading ceases to hold any equity interest in the Target Company, whichever is earlier
- Interest rate** : 18% per annum
- Purpose of the revolving loan facilities** : business development of the Target Company
- Conditions precedent of drawing** : The obligation of Noble Century Trading to advance the loan under the revolving loan facilities to the Target Company is conditional upon:
- (i) Completion having been taken place;
 - (ii) the Target Company and Mr. Liu not being in breach of any of their obligations under the Capital Increase Agreement and there is no fact or circumstance subsisting which would prejudice the interest of Noble Century Trading or, as determined at the absolute discretion of Noble Century Trading, would render the Target Company unable to repay the loan under the revolving loan facilities;
 - (iii) the Charge having been duly executed by the parties thereto and becoming effective and the registration of the same having been duly completed; and
 - (iv) the Personal Guarantee having been duly executed by the parties thereto and becoming effective.
- Drawing** : The Target Company may apply for the drawdown of the revolving loan facilities at any time during the availability period by serving a written notice specifying the drawdown date, the amount to be drawn and the usage thereof to Noble Century Trading and Noble Century Trading may, at its absolute discretion, determine the drawdown date and the amount of such drawdown.

Any amounts repaid by the Target Company shall be available for re-borrowing and drawing provided that the outstanding principal amount of the revolving loan facilities shall not exceed RMB90 million (equivalent to approximately HK\$104.4 million).

- Repayment** : The Target Company shall:
- (i) repay the interest accrued on the aggregate outstanding principal amount of the loan under the revolving loan facilities bi-annually (i.e. 31 March and 30 September on each year during the availability period);
 - (ii) repay the principal amount of each loan drawn under the revolving loan facilities together with any accrued and unpaid interest accrued thereon on the date falling twelve (12) months from the date of each drawdown or any earlier date as may be requested by Noble Century Trading; and
 - (iii) repay the aggregate outstanding principal amount of the loan under the revolving loan facilities in full together with any accrued and unpaid interest in one lump sum at the final repayment date.

Charge

Pursuant to the Capital Increase Agreement, Noble Century Trading, Mr. Liu and the Target Company shall execute the Charge within ten (10) Business Days from the date on which completion of the Registration takes place.

The principal terms of the Charge are set out below:

- Date** : within ten (10) Business Days from the date on which completion of the Registration takes place
- Parties** : (i) Noble Century Trading, as the chargee;
- (ii) Mr. Liu, as the chargor; and
- (iii) the Target Company, as the debtor
- Charge** : Pursuant to the terms of the Charge, Mr. Liu shall grant a charge on the Charged Interest in favour of Noble Century Trading as security for the due and punctual performance of the Target Company's obligations under the Loan Agreement.

Charged Interest : The Charged Interest represents 25% equity interest in the Target Company upon completion of the Registration. As at the date of this announcement, the registered and paid-up capital of the Target Company amounts to RMB10 million (equivalent to approximately HK\$11.6 million).

Registration : Mr. Liu shall register the Charge within ten (10) Business Days from the date of the Charge.

Personal Guarantee

Pursuant to the Capital Increase Agreement, Noble Century Trading and Mr. Liu shall execute the Personal Guarantee within ten (10) Business Days from the date on which completion of the Registration takes place.

The principal terms of the Personal Guarantee are set out below:

Date : within ten (10) Business Days from the date on which completion of the Registration takes place

Parties : (i) Noble Century Trading, as the beneficiary; and
(ii) Mr. Liu, as the guarantor

Guarantee : Pursuant to the terms of the Personal Guarantee, Mr. Liu shall provide a personal guarantee in favour of Noble Century Trading for, including but not limited to, the due and punctual performance by the Target Company of its obligations under the Loan Agreement.

Date of Capital Contribution

Subject to the fulfillment of waiver (if applicable) of the conditions precedent of the Capital Increase Agreement and the due execution of the Loan Agreement, the Charge and the Personal Guarantee, Noble Century Trading and Mr. Liu shall at the Payment Date make capital contribution of RMB150 million (equivalent to approximately HK\$174 million) and RMB40 million (equivalent to approximately HK\$46.4 million) respectively to the Target Company to pay up the registered capital of the Target Company as enlarged under the Capital Increase Agreement.

For the avoidance of doubt, unless the Registration has been completed and the Loan Agreement, the Charge and the Personal Guarantee have been duly executed by the parties thereto, Noble Century Trading and Mr. Liu shall not be obliged to make capital contribution to the Target Company.

Completion

Completion shall take place on (i) the date of issue of the business license of the Target Company showing the increase in the registered capital of the Target Company and the change in ownership of the Target Company; or (ii) the date on which Noble Century Trading obtained the capital contribution certificate (whichever is later).

If Completion does not take place on or before the date falling twelve (12) months from the date of the Capital Increase Agreement, or such later date may be agreed among Noble Century Trading, Mr. Liu and the Target Company, Noble Century Trading and Mr. Liu may terminate the Capital Increase Agreement by written notice to other parties and the Capital Increase Agreement shall cease and determine, and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

Reorganisation of the board of directors of the Target Company

Within thirty (30) days from the date of the Capital Increase Agreement, the board of directors of the Target Company shall be reorganised such that it shall comprise five (5) directors, of which three (3) directors shall be appointed by Noble Century Trading and two (2) directors shall be appointed by Mr. Liu. The chairman of the board of directors of the Target Company shall be appointed by Noble Century Trading.

Operation of the Target Company and reserved matters

Upon Completion, Mr. Liu shall be the legal representative of the Target Company and responsible for the day-to-day operation of the Target Company, while Noble Century Trading shall manage the financial affairs of the Target Company. Pursuant to the Capital Increase Agreement, any expense that may be incurred by the Target Company exceeding RMB0.5 million (equivalent to approximately HK\$0.58 million) has to be approved by the board of directors of the Target Company.

Pursuant to the Capital Increase Agreement, consent from owner(s) holding two-third or more of the voting rights at the general meeting of the Target Company is required for the following matters:

- (1) adopting or amending the articles of association of the Target Company;
- (2) increase or reduction of the registered capital of the Target Company;
- (3) spin-off or merger of the Target Company;
- (4) dissolution of the Target Company;
- (5) change in the corporate structure of the Target Company;
- (6) provision of guarantee or execution of charge, pledge or otherwise creating security interest on the assets of the Target Company as security in favour of any third parties;
and
- (7) investment exceeding RMB5 million (equivalent to approximately HK\$5.8 million).

Net Asset Value Guarantee

Pursuant to the Capital Increase Agreement, Mr. Liu warrants and guarantees to Noble Century Trading that the net asset value of the Target Company as at the Payment Date shall not be less than RMB10 million (equivalent to approximately HK\$11.6 million) (for the avoidance of doubt, excluding any contribution by Noble Century Trading and Mr. Liu to

the registered capital of the Target Company pursuant to the Capital Increase Agreement). In the event that there is any shortfall, Mr. Liu shall make good such shortfall by payment in cash to the Target Company (the “**Net Asset Value Guarantee**”).

Profit Guarantee

Pursuant to the Capital Increase Agreement, Mr. Liu warrants and guarantees (the “**Profit Guarantee**”) to Noble Century Trading that the audited profit after tax (the “**Actual Profit**”) of the Target Company (for this purpose, after deducting any finance costs including but not limited to any interest paid to Noble Century Trading under the Loan Agreement) for each Guaranteed Period (as defined below) with three hundred and sixty five (365) days shall not be less than RMB10 million (equivalent to approximately HK\$11.6 million) provided that the guaranteed profit for any Guaranteed Period with less than three hundred and sixty five (365) days shall be adjusted on a pro rata basis based on the number of days elapsed in such Guaranteed Period and shall be calculated in accordance with the following formula (the “**Guaranteed Profit**”):

$$\text{Guaranteed Profit for such} \\ \text{Guaranteed Period} = \text{RMB10 million} \times \frac{\text{Number of days elapsed in} \\ \text{such Guaranteed Period}}{365}$$

The Profit Guarantee shall be for (i) the five-year period commencing from the Completion Date; (ii) in the event that Noble Century Trading ceases to hold any equity interest in the Target Company prior to the end of the five-year period as mentioned in sub-paragraph (i) above, the period commencing from the date immediately after the Completion Date and ending on the date on which Noble Century Trading ceases to hold any equity interest in the Target Company; or (iii) in the event that a Put Option Notice regarding the disposal of the entire equity interest in the Target Company held by Noble Century Trading having been served on Mr. Liu prior to the end of the five-year period as mentioned in sub-paragraph (i) above, the period commencing from the date immediately after the Completion Date and ending on the date of such Put Option Notice.

For the purpose of the Capital Increase Agreement, the guaranteed period (the “**Guaranteed Period**”) shall mean the following periods during (a) the five-year period commencing from the Completion Date; or (b) if prior to the end of such five-year period, Noble Century Trading ceases to hold any equity interest in the Target Company or a Put Option Notice regarding the disposal of the entire equity interest in the Target Company held by Noble Century Trading having been served on Mr. Liu (the “**Termination Event**”), the period commencing from the Completion Date and ending on the date of the Termination Event:

- (1) the first Guaranteed Period shall commence from the date immediately after the Completion Date and shall end on the first 31 March after the Completion Date, or if applicable, the date of the Termination Event (the “**First Guaranteed Period**”);
- (2) if applicable, the second Guaranteed Period shall commence from the date immediately after the end of the First Guaranteed Period and shall end on the next 31 March after the end of the First Guaranteed Period, or if applicable, the date of the Termination Event (the “**Second Guaranteed Period**”);

- (3) if applicable, the third Guaranteed Period shall commence from the date immediately after the end of the Second Guaranteed Period and shall end on the next 31 March after the end of the Second Guaranteed Period, or if applicable, the date of the Termination Event (the “**Third Guaranteed Period**”);
- (4) if applicable, the fourth Guaranteed Period shall commence from the date immediately after the end of the Third Guaranteed Period and shall end on the next 31 March after the end of the Third Guaranteed Period, or if applicable, the date of the Termination Event (the “**Fourth Guaranteed Period**”);
- (5) if applicable, the fifth Guaranteed Period shall commence from the date immediately after the end of the Fourth Guaranteed Period and shall end on the next 31 March after the end of the Fourth Guaranteed Period, or if applicable, the date of the Termination Event (the “**Fifth Guaranteed Period**”); and/or
- (6) if applicable, the sixth Guaranteed Period shall commence from the date immediately after the end of the fifth Guaranteed Period and shall end on such date so that the First Guaranteed Period and the sixth guaranteed period shall in aggregate with three hundred and sixty five days, or if applicable, the date of the Termination Event (the “**Sixth Guaranteed Period**”).

In the event that the Actual Profit for any Guaranteed Period is less than the relevant Guaranteed Profit, Mr. Liu shall pay the amount equal to such shortfall to Noble Century Trading.

In the event that the Target Company records a loss for any Guaranteed Period, Mr. Liu shall pay the amount equal to the sum of (i) the Guaranteed Profit for the relevant Guaranteed Period and (ii) the amount of such loss (in a positive number) to Noble Century Trading.

For each Guaranteed Period, Noble Century Trading shall have right to determine or appoint an accountancy firm to determine the Actual Profit for the relevant Guaranteed Period in accordance with the PRC GAAP which shall be substantially consistent with the accounting policies of the Company in preparing its accounts.

Put option

Pursuant to the Capital Increase Agreement, Noble Century Trading is entitled, at its sole and absolute discretion, to sell and Mr. Liu shall purchase the equity interest in the Target Company held by Noble Century Trading (in whole or in part) by serving a written notice (the “**Put Option Notice**”) to Mr. Liu upon the occurrence of the following events:

- (1) the Profit Guarantee is not fulfilled;
- (2) Nobel Century Trading holds any equity interest in the Target Company after the end of the five-year period commencing from the Completion Date;
- (3) Mr. Liu is in breach of the Non-disposal Undertaking (as defined below); or

- (4) in the course of managing the day-to-day operation of the Target Company, Mr. Liu is in breach of any applicable laws and regulations or the internal management system of the Group or prejudicing the interest of the Target Company or the Company (including but not limited to (i) substantial integrity issue on the part of Mr. Liu or the Target Company; (ii) the Target Company being ordered to suspend business operation by relevant authority or the business license of the Target Company being suspended or revoked; (iii) seizure of the equity interest in the Target Company held by Mr. Liu by the court; (iv) causing substantial economic loss exceeding RMB1 million (equivalent to approximately HK\$1.16 million) or severe damage to the goodwill of the Target Company; or (v) such other events as may be determined by Noble Century Trading as prejudicial to the interest of the Target Company and Noble Century Trading).

The consideration for the transfer of equity interest in the Target Company held by Noble Century Trading to Mr. Liu shall be calculated in accordance with the following formula:

$$\text{Consideration} = \frac{\text{Net asset value of the Target Company as at the date of the Put Option Notice}}{\text{Equity interest in the Target Company being the subject matter of the Put Option Notice}} \times 1.2 \times \frac{\text{Entire equity interest in the Target Company as at the date of the Put Option Notice}}{\text{Entire equity interest in the Target Company as at the date of the Put Option Notice}}$$

Noble Century Trading shall have right to appoint an accountancy firm to determine the net asset value of the Target Company as at the date of the Put Option Notice in accordance with the PRC GAAP which shall be substantially consistent with the accounting policies of the Company in preparing its accounts.

Non-disposal undertaking

Pursuant to the Capital Increase Agreement, so long as Noble Century Trading holds any equity interest in the Target Company, Mr. Liu undertakes to Noble Century Trading that he shall not dispose of his equity interest in the Target Company before the end of the five-year period commencing from the Completion Date (the “**Non-disposal Undertaking**”).

First right of refusal

Pursuant to the Capital Increase Agreement, if Noble Century Trading wishes to transfer or dispose of its equity interest in the Target Company held by Noble Century Trading (in whole or in part) to anyone other than an existing owner of the equity interest in the Target Company before the end of the five-year period commencing from the Completion Date, prior to the entering into of any legally binding agreement, Noble Century Trading shall give a written notice (the “**Transfer Notice**”) to Mr. Liu specifying the terms of such proposed transfer and Mr. Liu shall have right to purchase such equity interest on the terms set out in the Transfer Notice.

Non-competition undertaking

During the period commencing from the date of the Capital Increase Agreement and ending on the date falling one (1) year from the date on which either Noble Century Trading or Mr. Liu ceases to hold any equity interest in the Target Company, save for the holding of the equity interest in the Target Company and participating in the management of the Target Company, Noble Century Trading and Mr. Liu shall and shall procure each of his/its associates, among others, not to:

- (1) directly or indirectly engage, invest, involve in or manage any entity, business or product which is the same as or compete with the electronic products trading business of the Target Company (the “**Restricted Business**”), or have any direct or indirect interest in any entity, business or product which is the same as or compete with the Restricted Business;
- (2) directly or indirectly, whether as principal or as agent of any third party, enter into any transaction of whatever nature with any entity which has business dealings with the Target Company;
- (3) directly or indirectly, whether as principal or as agent of any third party, solicit any existing customer, suppliers or other person who has business relationship with the Target Company to terminate such relationship; and
- (4) directly or indirectly, whether as principal or as agent of any third party, employ, hire, solicit or procure any existing employee of or entity working for the Target Company to terminate such employment or such working relationship.

Pursuant to the Capital Increase Agreement, each of Noble Century Trading and Mr. Liu undertakes to each other that if he/it or his/its associates engages, invests, involves in or manages any entity, business or product which is the same as or compete with the Restricted Business or enter into any transaction of whatever nature with any entity which has business dealings with the Target Company, he/it shall and shall procure his/its associates, at his/its own costs, terminate such transaction, business or business relationship or novate such transaction or business to the Target Company at nil consideration. In the event that Noble Century Trading or Mr. Liu fails to perform such undertaking, he/it shall indemnify all loss or damage caused to the Target Company and its owner(s).

Termination

Mr. Liu and the Target Company irrevocably and unconditionally undertake to Noble Century Trading that if (i) the Capital Increase Agreement is terminated either on the grounds that (a) the conditions precedent of the Capital Increase Agreement have not been fulfilled (or otherwise waived) on or before the date falling six (6) months from the date of the Capital Increase Agreement or such later date may be agreed among Noble Century Trading, Mr. Liu and the Target Company; or (b) Completion does not take place on or before the date falling twelve (12) months from the date of the Capital Increase Agreement or such later date may be agreed among Noble Century Trading, Mr. Liu and the Target Company; or (ii) Mr. Liu and/or the Target Company is in breach of the undertakings given under the Capital Increase Agreement, including but not limited to the undertakings set out in the paragraphs headed “Reorganisation of the board of directors of the Target Company”

and “Operation of the Target Company and reserved matters” in this announcement above, Noble Century Trading shall have the right to request Mr. Liu and/or the Target Company (as the case may be) and Mr. Liu and/or the Target Company (as the case may be) shall:

- (1) refund the capital contribution already made by Noble Century Trading pursuant to the Capital Increase Agreement and to complete all necessary legal procedure and registration in relation to the reduction of the registered capital of the Target Company to RMB50 million (equivalent to approximately HK\$58 million) and that Noble Century Trading shall cease to be the owner of 75% equity interest in the Target Company; or
- (2) transfer 75% equity interest in the Target Company held by Noble Century Trading to Mr. Liu at the consideration equal to the amount of capital contribution already made by Noble Century Trading pursuant to the Capital Increase Agreement.

INFORMATION OF MR. LIU AND THE TARGET COMPANY

The Target Company is a company established in the PRC with limited liability and is principally engaged in electronic products trading business, and its entire equity interest is owned by Mr. Liu as at the date of this announcement. As at the date of this announcement, the registered capital of the Target Company amounts to RMB10 million (equivalent to approximately HK\$11.6 million) which has been fully paid-up.

The Target Company will be principally engaged in electronic products trading business, with its main focus on the trading of the motherboard, memory card and display screen for smartphones in the PRC.

Mr. Liu has over 10 years of experience in the smartphones components trading in Hong Kong and the PRC and has established a strong network in both the buyer and seller market in such sector, which will be critical to the business development of the Target Company.

Given the PRC smartphones market experienced dramatic increase in sales volume in recent years, it is expected that the PRC smartphones market will keep growing in the next few years and the Board believes that the electronic products trading business of the Target Company could benefit from the growing PRC smartphones market and provide a stable income to the Group.

The ownership of the equity interest in the Target Company as at the date of this announcement, after completion of the Registration but before Completion, and after Completion is set out below:

	As at the date of this announcement		After completion of the Registration but before Completion		After Completion	
	Amount of capital contribution to the registered capital of the Target Company (RMB'000)	Equity interest in the Target Company (%)	Amount of capital contribution to the registered capital of the Target Company (RMB'000)	Equity interest in the Target Company (%)	Amount of capital contribution to the registered capital of the Target Company (RMB'000)	Equity interest in the Target Company (%)
Owner						
Mr. Liu	10,000	100	10,000	25	50,000	25
Noble Century Trading	—	—	—	75	150,000	75
Total	10,000	100%	10,000	100%	200,000	100%

Set out below are the unaudited financial information of the Target Company for the financial years ended 31 December 2014 and 2015 based on its management accounts prepared in accordance with the PRC GAAP:

	For the year ended	
	31 December 2014	31 December 2015
	RMB	RMB
	(unaudited)	(unaudited)

Revenue	—	—
Loss before taxation	134,559	141,861
Loss after taxation	134,559	141,861
Net liability	163,230	305,091

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE CAPITAL INCREASE AGREEMENT

The Group is principally engaged in vessel chartering, trading, money lending and finance leasing.

As disclosed in the annual report of the Company for the year ended 31 March 2016, the Group will actively identify and explore other investment and business opportunities to further broaden its assets and revenue base into a comprehensive portfolio. The Group will cautiously search for investment opportunities in order to enhance and improve the business operation and profitability of the Group.

In light of Mr. Liu's strong network in the buyer and seller market in the smartphones components trading business in Hong Kong and the PRC and his extensive experience and knowledge in such sector, the Board considers that it would be beneficial to the development of the trading business of the Group to partner with Mr. Liu.

The provision of capital contribution under the Capital Increase Agreement and the revolving loan facilities under the Loan Agreement are intended for the business expansion of the Target Company. Terms of the each of the Capital Increase Agreement and the Loan Agreement were determined after arm's length negotiations between Noble Century Trading, Mr. Liu and the Target Company after taking into consideration (i) 75% equity interest in the Target Company will be owned by Noble Century Trading and the Target Company will become a subsidiary of the Company immediately upon completion of the Registration, and as such, support should be given to the Target Company which will facilitate its business development; (ii) within thirty (30) days from the date of the Capital Increase Agreement, the board of directors of the Target Company shall comprise five (5) directors, three (3) of which shall be appointed by Noble Century Trading, and as such, the Company would have power to control and monitor the affairs of the Target Company; (iii) the prospects of electronic products trading business in the PRC; (iv) the capital required for the business expansion of the Target Company; (v) the Net Asset Value Guarantee; and (vi) the Profit Guarantee. The Directors are of the view that since the Target Company will become a subsidiary of the Company upon completion of the Registration, support should be given for the purpose of the business expansion of the Target Company which will in turn facilitate the business development of the Target Company.

In light of the reasons aforementioned, the Board considers that the terms of each of the Capital Increase Agreement and the Loan Agreement are on normal commercial terms which are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Capital Increase Agreement and the transactions contemplated thereunder (including the capital contribution under the Capital Increase Agreement and the provision of the revolving loan facilities under the Loan Agreement) are more than 5% but less than 25%, the entering into of the Capital Increase Agreement constitutes a discloseable transaction on the part of the Company under the Listing Rules and is subject to the notification and announcement but is exempt from shareholder's approval requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following terms shall have the meanings set opposite them under the context requires otherwise:

“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday or public holiday) on which licensed bank are generally open for business in the PRC throughout their normal business hours
“Capital Increase Agreement”	the capital increase agreement dated 12 September 2016 and entered into among Noble Century Trading, Mr. Liu and the Target Company pursuant to which (i) the registered capital of the Target Company shall be increased from RMB10 million (equivalent to approximately HK\$11.6 million) to RMB200 million (equivalent to approximately HK\$232 million); and (ii) Noble Century Trading agrees to contribute RMB150 million (equivalent to approximately HK\$174 million) in cash and Mr. Liu agrees to contribute RMB40 million (equivalent to approximately HK\$46.4 million) in cash to the registered capital of the Target Company as enlarged
“Charge”	the charge to be executed among Noble Century Trading, Mr. Liu and the Target Company in relation to the granting of a charge on the Charged Interest by Mr. Liu in favour of Noble Century Trading as security for the due and punctual performance of the Target Company’s obligations under the Loan Agreement
“Charged Interest”	25% equity interest in the Target Company after completion of the Registration, being the then entire equity interest in the Target Company held by Mr. Liu
“Company”	Noble Century Investment Holdings Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on Stock Exchange
“Completion”	completion of the Capital Increase Agreement in accordance with the terms and conditions of the Capital Increase Agreement
“Completion Date”	the date on which Completion takes place
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any persons or company(ies) and their respective ultimate beneficial owners, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the loan agreement to be entered into among Noble Century Trading as lender, the Target Company as borrower and Mr. Liu as a third party in relation to the provision of revolving loan facilities of up to RMB90 million (equivalent to approximately HK\$104.4 million) to the Target Company in accordance with the terms and conditions of the Loan Agreement
“Mr. Liu”	劉文平 (transliterated as Liu Wenping [#]), being the owner of the entire equity interest in the Target Company as at the date of this announcement
“Net Asset Value Guarantee”	has the meaning ascribed thereto under the paragraph headed “Net Asset Value Guarantee” under the section headed “the Capital Increase Agreement” in this announcement
“Noble Century Trading”	仁瑞(深圳)貿易有限公司 (transliterated as Noble Century Trading Co., Ltd. [#]), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Payment Date”	the date on which Noble Century Trading and Mr. Liu shall make capital contribution of RMB150 million (equivalent to approximately HK\$174 million) and RMB40 million (equivalent to approximately HK\$46.4 million) respectively to the Target Company to pay up the registered capital of the Target Company as enlarged under the Capital Increase Agreement in accordance with the terms and conditions thereof, which shall be on or before a date falling six (6) months from the date on which all conditions precedent of the Capital Increase Agreement having been fulfilled or waived or such later date may be agreed among Noble Century Trading, Mr. Liu and the Target Company

“Personal Guarantee”	the personal guarantee to be executed between Noble Century Trading and Mr. Liu in relation to the provision of a personal guarantee by Mr. Liu in favour of Noble Century Trading as security for the due and punctual performance of obligations of the Target Company under the Loan Agreement
“PRC”	the People’s Republic of China which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“PRC GAAP”	the generally accepted accounting principles of the PRC
“Profit Guarantee”	has the meaning ascribed thereto under the paragraph headed “Profit Guarantee” under the section headed “the Capital Increase Agreement” in this announcement
“Put Option Notice”	has the meaning ascribed thereto under the paragraph headed “Put Option” under the section headed “the Capital Increase Agreement” in this announcement
“Registration”	has the meaning ascribed thereto under the paragraph headed “Registration” under the section headed “the Capital Increase Agreement” in this announcement
“Share(s)”	share(s) of the Company of HK\$0.02 each
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	深圳前海九龍福實業有限公司 (transliterated as Shenzhen Qianhai Jiulongfu Industrial Co., Ltd. [#]), a company established in the PRC with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

By order of the Board
Noble Century Investment Holdings Limited
Ms. Zheng Juhua
Chairman

Hong Kong, 12 September 2016

For the purpose of this announcement, unless otherwise indicated, conversion of Renminbi into Hong Kong dollars is calculated at the approximate exchange rate of RMB1.00 to HK\$1.16. This exchange rate is adopted for the purpose of illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rates at all.

the English translation of Chinese names or words in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.

As at the date of this announcement, the executive Directors are Ms. Zheng Juhua and Mr. Chan Chi Yuen; the independent non-executive Directors are Mr. Man Kwok Leung, Mr. Yu Pak Yan, Peter and Mr. Chi Chi Hung, Kenneth.