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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 BUY-BACK AGREEMENT
AND
TERMINATION OF LOAN AGREEMENT AND
PERSONAL GUARANTEE**

THE BUY-BACK AGREEMENT

The Board would like to announce that on 24 September 2018 (after the trading hours of the Stock Exchange), Noble Century Trading, being an indirect wholly-owned subsidiary of the Company, and Mr. Liu entered into the Buy-back Agreement, pursuant to which Noble Century Trading has agreed to sell and Mr. Liu has agreed to buy back 75% equity interest in the Target Company at a consideration of RMB31,117,000 (equivalent to approximately HK\$36,095,720).

At the date of the Buy-back Agreement, Target Company, being an indirect non-wholly-owned subsidiary of the Company, is owned as to 75% and 25% by Noble Century Trading and Mr. Liu respectively. Upon Completion, the Target Company will cease to be a subsidiary of the Company.

TERMINATION OF LOAN AGREEMENT AND PERSONAL GUARANTEE

The Board would like to announce that on 24 September 2018 (after trading hours of the Stock Exchange), pursuant to the Buy-back Agreement, Noble Century Trading, Mr. Liu and the Target Company entered into the Termination Agreement whereby the parties have mutually agreed to terminate the Loan Agreement and the Personal Guarantee and to release and discharge each other from its/his respective obligations under the Loan Agreement and the Personal Guarantee with effect from the date of the Termination Agreement. As at the date of this announcement, the Target Company has not made any drawdown of the revolving loan facilities under the Loan Agreement.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) set out in Rule 14.07 of the Listing Rules in respect of the Buy-back are more than 5% but less than 25%, the Buy-back constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement but is exempt from Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Board would like to announce that on 24 September 2018 (after the trading hours of the Stock Exchange), Noble Century Trading, being an indirect wholly-owned subsidiary of the Company, and Mr. Liu entered into the Buy-back Agreement, pursuant to which Noble Century Trading has agreed to sell and Mr. Liu has agreed to buy back 75% equity interest in the Target Company at a consideration of RMB31,117,000 (equivalent to approximately HK\$36,095,720).

THE BUY-BACK AGREEMENT

The principal terms of the Buy-back Agreement are set out below:

- Date: 24 September 2018
- Parties: (i) Noble Century Trading, as vendor; and
- (ii) Mr. Liu, as the purchaser.

As at the date of this announcement, Mr. Liu is a director and a shareholder interested in 25% equity interest of the Target Company. Save as disclosed, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Mr. Liu and his associates is an Independent Third Party.

Buy-back

Pursuant to the Buy-back Agreement, Noble Century Trading has agreed to sell and Mr. Liu has agreed to buy back 75% equity interest in the Target Company. Based on the latest management accounts of the Target Company, the Target Company had an unaudited net asset value of approximately RMB50,088,111 (equivalent to approximately HK\$58,102,209) as at 31 August 2018.

Consideration

The consideration for the Buy-back is RMB31,117,000 (equivalent to approximately HK\$36,095,720) and will be payable by Mr. Liu in immediately available funds to Noble Century Trading's designated bank account on or before 27 September 2018 or such later date as may be agreed between the parties. The Consideration was determined after arm's length negotiations between the parties with reference to (i) the amount contributed by Noble Century Trading to the registered capital of the Target Company under the Capital Increase Agreement; and (ii) the net profit after tax of the Target Company since it became a subsidiary of the Company.

If Mr. Liu fails to pay the Consideration pursuant to the Buy-back Agreement, Mr. Liu shall pay Noble Century Trading a sum representing 0.0005% of the unpaid Consideration amount for each day of delay as liquidated damages. If the delay in payment is over five (5) days, Noble Century Trading shall have the right to terminate the Buy-back Agreement.

Condition precedent

Completion will be conditional upon Noble Century Trading having obtained all necessary approvals and consents (including but not limited to its shareholders' approval) in connection with the Buy-back Agreement and the transactions contemplated thereunder.

Registration

Mr. Liu shall complete, and Noble Century Trading shall assist, the registration with the local administration for industry and commerce in the PRC in respect of the Buy-back Agreement and the transactions contemplated thereunder within 15 days from the date of payment of the Consideration. In the event that the registration is not completed within the timeframe as set out above, Mr. Liu shall pay Noble Century Trading a sum representing 0.0005% of the Consideration amount for each day of delay as liquidated damages.

Other material provision

Mr. Liu agrees and undertakes that, after Completion, he shall contribute the remaining RMB119,641,000 (equivalent to approximately HK\$138,783,560) to the registered capital of the Target Company in accordance with its articles of association and that Noble Century Trading shall no longer be obliged to contribute to the registered capital of the Target Company. In the event that Mr. Liu fails to contribute to the registered capital of the Target Company in the manner set out above and Noble Century Trading assumes legal liability to any third party(ies), Mr. Liu shall take corresponding measures to remedy and compensate for all losses suffered by Noble Century Trading as a result.

Completion

Subject to the fulfillment of the condition precedent, upon Completion:

- (i) Noble Century Trading shall deliver to Mr. Liu or his attorney the relevant documents of the Target Company, including but not limited to all company seal(s) for administrative, financial, contractual and department use (if any), all business licenses, information on personnel, administration, finance, projects, technologies, and original documents in relation to the Target Company's operation and management in respect of its asset and business, and all contract handovers within three (3) days from the date of the Buy-back Agreement or such later date agreed between the parties, together with the execution of a delivery confirmation by the parties; and
- (ii) Mr. Liu shall pay the Consideration to Noble Century Trading.

Upon Completion, the Target Company will cease to be a subsidiary of the Company. The Target Company will become directly and wholly-owned by Mr. Liu and Mr. Liu shall bear all the obligations and liabilities of the Target Company in accordance with the relevant law and regulations.

INFORMATION ON THE TARGET COMPANY AND MR. LIU

The Target Company is a company established in the PRC with limited liability and is 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, and its entire equity interest is owned as to 75% and 25% by Noble Century Trading and Mr. Liu respectively as at the date of this announcement. As at the date of this announcement, the registered capital of the Target Company amounts to RMB200 million (equivalent to approximately HK\$232 million) of which Noble Century Trading and Mr. Liu have paid up RMB30,359,000 and RMB18,735,088 respectively.

The financial information on the Target Company for the two financial years ended 31 December 2016 and 2017 and for the eight months ended 31 August 2018 are as follows:

	For the year ended		For the eight
	31 December		months ended
	2016	2017	31 August
	(audited)	(audited)	(unaudited)
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Revenue	–	58,191,418	11,669,942
Profit/(loss) before taxation	(84,708)	628,410	749,335
Profit/(loss) after taxation	(141,715)	471,308	547,988
	As at	As at	As at
	31 December	31 December	31 August
	2016	2017	2018
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Total assets	10,083,796	58,840,405	50,879,074
Net assets	9,932,499	49,534,967	50,088,111

Mr. Liu has over 10 years of experience in smartphone components trading in Hong Kong and the PRC and has established a network in both the buyer and seller market in such sector.

FINANCIAL IMPACT OF THE BUY-BACK ON THE GROUP AND INTENDED USE OF THE PROCEEDS

Upon Completion, the Target Company will cease to be a subsidiary of the Company and the financial results of the Target Company will cease to be consolidated into the Company's consolidated financial statements.

The Group is expected to record an estimated loss after tax of approximately HK\$4.9 million arising from the Buy-back based on the Consideration, which represented the write off of the fair value of the other financial assets attributable to the profit guarantee under the Capital Increase Agreement. The actual loss as a result of the Buy-back to be recorded by the Group is subject to final audit to be performed by the Company's auditors.

The Board intends to apply the net proceeds from the Buy-back of approximately RMB31,117,000 (equivalent to approximately HK\$36,095,720) as general working capital of the Group.

REASONS FOR AND BENEFITS OF THE BUY-BACK

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

Reference is made to the announcement made by the Company dated 12 September 2016 in relation to, among other things, the Capital Increase Agreement. On 12 September 2016, Noble Century Trading, 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 agreed to contribute RMB150 million (equivalent to approximately HK\$174 million) in cash and Mr. Liu agreed to contribute RMB40 million (equivalent to approximately HK\$46.4 million) in cash to the registered capital of the Target Company as enlarged.

As disclosed in the annual report of the Company for the year ended 31 March 2018, the Group's electronic products trading is principally engaged in trading of smartphones and parts of communication equipment which are the core components for mobile phones. The Group recorded a turnover of approximately HK\$55.7 million from trading of electronic and other commercial products for the year ended 31 March 2018, as compared to approximately HK\$703.9 million for the last year. The electronic and other commercial products trading business was slow down after a rapid expansion in the last financial year as the Group is in the process of reassessing and re-engineering its strategies in response of the ever changing environment of the electronic market in order to cultivate a direction and policy for its long term development.

In addition, financial performance of the Target Company had not been meeting the expectation of the management, and the Target Company's electronic products trading business is expected to face difficulties in the following years due to the trade war between the PRC and the United States. Taking into consideration the above, the Board intends to realise the investment in the Target Company rather than devoting further resources to the Target Company with a hope of its recovery. After arm's length negotiation between Noble Century Trading and Mr. Liu, Mr. Liu has agreed to buy back 75% equity interest in the Target Company from Noble Century Trading.

In view of the above, the Directors consider that the terms and conditions of the Buy-back Agreement are on normal commercial terms, fair and reasonable and the Buy-back is in the interest of the Company and the Shareholders as a whole.

TERMINATION OF LOAN AGREEMENT AND PERSONAL GUARANTEE

Reference is made to the Announcement. Pursuant to the Capital Increase Agreement, (i) Noble Century Trading, Mr. Liu and the Target Company shall enter into the Loan Agreement in relation to provision of revolving loan facilities of up to RMB90 million (equivalent to approximately HK\$104.4 million) to the Target Company; and (ii) Noble Century Trading and Mr. Liu shall 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.

The Board would like to announce that on 24 September 2018 (after trading hours of the Stock Exchange), pursuant to the Buy-back Agreement, Noble Century Trading, Mr. Liu and the Target Company entered into the Termination Agreement whereby the parties have mutually agreed to terminate the Loan Agreement and the Personal Guarantee and to release and discharge each other from its/his respective obligations under the Loan Agreement and the Personal Guarantee with effect from the date of the Termination Agreement. As at the date of this announcement, the Target Company has not made any drawdown of the revolving loan facilities under the Loan Agreement.

Taking into account that Noble Century Trading will cease to be the shareholder of the Target Company after Completion, the Board considers the Termination Agreement to be in the interest of the Company and the Shareholders as a whole, and that it does not have any material adverse impact on the existing business or financial position of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) set out in Rule 14.07 of the Listing Rules in respect of the Buy-back are more than 5% but less than 25%, the Buy-back constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement but is exempt from Shareholders' approval requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Announcement”	the announcement made by the Company dated 12 September 2016 in relation to, among other things, the Capital Increase Agreement
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors

“Buy-back”	the buy-back of 75% equity interest in the Target Company by Mr. Liu from Noble Century Trading pursuant to the terms and conditions of the Buy-back Agreement
“Buy-back Agreement”	the buy-back agreement dated 24 September 2018 and entered into between Noble Century Trading and Mr. Liu pursuant to which Noble Century Trading has agreed to sell and Mr. Liu has agreed to buy back 75% equity interest in the Target Company
“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 agreed to contribute RMB150 million (equivalent to approximately HK\$174 million) in cash and Mr. Liu agreed to contribute RMB40 million (equivalent to approximately HK\$46.4 million) in cash to the registered capital of the Target Company as enlarged
“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 Buy-back Agreement in accordance with the terms and conditions of the Buy-back Agreement
“consideration”	consideration of the Buy-back
“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 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 (Liu Wenping), being a director and the owner of 25% equity interest in the Target Company as at the date of this announcement
“Noble Century Trading”	仁瑞 (深圳) 貿易有限公司 (for transliteration purpose only, Noble Century Trading Co., Ltd.), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Personal Guarantee”	the personal guarantee 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

“Share(s)”	share(s) of the Company of HK\$0.02 each
“Shareholder(s)”	holder(s) of the 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 (for transliteration purpose only, Shenzhen Qianhai Jiulongfu Industrial Co., Ltd.), a company established in the PRC with limited liability
“Termination Agreement”	the termination agreement entered into among Noble Century Trading, Mr. Liu and the Target Company in relation to the termination of the Loan Agreement and the Personal Guarantee
“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
Zheng Juhua
Chairman

Hong Kong, 24 September 2018

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.

As at the date of this announcement, the executive directors are Ms. Zheng Juhua, Ms. Wang Yingqian 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.