THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Noble Century Investment Holdings Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

NOBLE CENTURY INVESTMENT HOLDINGS LIMITED

仁瑞投資控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 2322)

(1) MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE EQUITY INTEREST IN CHAOSHANG FINANCIAL HOLDING LIMITED (2) CHANGE OF COMPANY NAME AND (3) NOTICE OF SGM

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular.

A letter from the Board is set out on pages 11 to 33 of this circular.

A notice convening a special general meeting of the Company to be held at Suite 2202, 22/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on Friday, 31 May 2019 at 11:00 a.m. or any adjournment thereof is set out on pages SGM-1 to SGM-3 of this circular.

A form of proxy of the SGM is enclosed. Whether or not you are able to attend the SGM, you are advised to read the notice and complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM should you so wish.

8 May 2019

CONTENT

In this circular, unless the context otherwise requires, the following words and expressions shall have the following meanings:

"Acquisition"	the acquisition of the Sale Shares by the Company pursuant to the terms and conditions of the Sale and Purchase Agreement
"Actual NAV"	has the meaning ascribed thereto in the paragraph headed "Net asset value guarantee" under the section "The Sale and Purchase Agreement" in this circular
"Actual Profit"	the First Actual Profit, the Second Actual Profit, the Third Actual Profit or the Fourth Actual Profit, as the case may be
"Actual Loss"	the First Actual Loss, the Second Actual Loss, the Third Actual Loss or the Fourth Actual Loss, as the case may be
"Announcements"	the announcements of the Company dated 7 January 2019 and 20 March 2019 in relation to, among other matters, the Acquisition
"associate"	has the meaning ascribed thereto under the Listing Rules
"Auditors"	an independent firm of auditors practising in Hong Kong whose appointment shall be approved by the Company
"Board"	the board of Directors
"Business Day"	a day (other than a Saturday, Sunday or public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted in Hong Kong between 9:00 a.m. to 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
"Change of Company Name"	the proposed change of the existing name of the Company from "Noble Century Investment Holdings Limited" to "Hong Kong ChaoShang Group Limited" and to adopt "香港潮商集團有限公司" as the secondary name in Chinese of the Company to replace its existing secondary name in Chinese "仁瑞投資控股有限公司"

"ChaoShang Asset Management"	CHAOSHANG ASSET MANAGEMENT LIMITED, a company incorporated in Hong Kong with limited liability, a corporation licensed to carry on Type 4 (advising on securities) and Type 9 (asset management) regulated activities as defined under the SFO and a wholly-owned subsidiary of the Target Company as at the Latest Practicable Date
"ChaoShang Asset Management (Cayman)"	ChaoShang Asset Management (Cayman) Limited, a company incorporated in the Cayman Islands with limited liability, which was a wholly-owned subsidiary of the Target Company prior to the Reorganisation
"Chaoshang Bullion"	Chaoshang Bullion Investment Limited, a company incorporated in Hong Kong with limited liability, which was a wholly-owned subsidiary of the Target Company prior to the Reorganisation
"ChaoShang Credit"	ChaoShang Credit Limited, a company incorporated in Hong Kong with limited liability, which was a wholly-owned subsidiary of the Target Company prior to the Reorganisation
"Chaoshang Enterprise"	Chaoshang Enterprise Consulting Service Co., Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Target Company as at the Latest Practicable Date
"ChaoShang Entertainment"	CHAOSHANG ENTERTAINMENT MEDIA GROUP LIMITED, a company incorporated in Hong Kong with limited liability, which was a wholly-owned subsidiary of the Target Company prior to the Reorganisation
"Chaoshang Group Co"	Chaoshang Group Co., Limited, a company incorporated in Hong Kong with limited liability, which was a wholly-owned subsidiary of the Target Company prior to the Reorganisation
"ChaoShang International"	ChaoShang International Limited, a company incorporated in Hong Kong with limited liability, which was wholly-owned subsidiary of the Target Company prior to the Reorganisation

"ChaoShang Fund"	ChaoShang Multi-Asset Fund, a company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of ChaoShang Asset Management (Cayman) as at the Latest Practicable Date
"ChaoShang OBOR"	CHAOSHANG ONE BELT ONE ROAD INDUSTRY DEVELOPMENT COMPANY LIMITED, a company incorporated in Hong Kong with limited liability, which was a wholly-owned subsidiary of the Target Company prior to the Reorganisation
"ChaoShang Securities"	ChaoShang Securities Limited, a company incorporated in Hong Kong with limited liability, a corporation licensed to carry on Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities as defined under the SFO and a wholly-owned subsidiary of the Target Company as at the Latest Practicable Date
"ChaoShang Wealth Management"	ChaoShang Wealth Management Limited, a company incorporated in Hong Kong with limited liability, which was a wholly-owned subsidiary of the Target Company prior to the Reorganisation
"China Resources"	CHINA RESOURCES PROPERTY MANAGEMENT LIMITED, a company incorporated in Hong Kong with limited liability
"China Resources Building Property"	property situated at suite 2206-10, 22/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong with a total saleable area of approximately 11,545 square feet, being the subject matter of the Lease Agreement
"Company"	Noble Century Investment Holdings Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Stock Exchange
"Completion"	completion of the Acquisition pursuant to the terms and conditions of the Sale and Purchase Agreement
"Completion Date"	the third (3rd) Business Day after the date of fulfillment (or waiver) of the conditions precedent under the Sale and Purchase Agreement or such other date as the parties shall agree in writing

"Consideration"	an amount of HK$250,000,000, being the purchase price for the Sale Shares
"Deposit"	has the meaning ascribed thereto in the paragraph headed "Consideration" under the section "The Sale and Purchase Agreement" in this circular
"Director(s)"	the director(s) of the Company
"Disposal Agreement(s)"	the disposal agreement(s) to be entered into by the Target Company in relation to the disposal of the entire equity interest in each of ChaoShang Entertainment, Chaoshang Group Co, ChaoShang International, Chaoshang Bullion, ChaoShang OBOR, ChaoShang Wealth Management, ChaoShang Credit and ChaoShang Asset Management (Cayman) by the Target Company
"Enlarged Group"	the Group as enlarged by the Acquisition immediately upon Completion
"First Actual Loss"	a loss in the Target Company's audited consolidated financial statements for the First Guaranteed Period
"First Actual Profit"	the actual audited consolidated profits after tax of the Target Company calculated in accordance with HKFRS for the First Guaranteed Period as shown in the First Guarantee Certificate
"First Guarantee Certificate"	a certificate to be issued by the Auditors certifying the amount of the audited consolidated profits after tax of the Target Company for the First Guaranteed Period
"First Guaranteed Period"	has the meaning ascribed thereto in the paragraph headed "Profit Guarantee" under the section "The Sale and Purchase Agreement" in this circular
"First Guaranteed Profit"	has the meaning ascribed thereto in the paragraph headed "Profit Guarantee" under the section "The Sale and Purchase Agreement" in this circular
"First Guaranteed Profit Compensation A"	the difference between the First Guaranteed Profit and the First Actual Profit

"First Guaranteed Profit Compensation B"	the sum of the First Actual Loss and the First Guaranteed Profit, where the First Actual Loss shall be deemed as an absolute figure
"First Retained Consideration"	has the meaning ascribed thereto in the paragraph headed "Consideration" under the section "The Sale and Purchase Agreement" in this circular
"First Vendor"	Au Kwong Hoi (區光海), being a shareholder of the Target Company holding 6,000 issued shares of the Target Company, representing 46.15% of the total issued share capital of the Target Company
"Fourth Actual Loss"	a loss in the Target Company's audited consolidated financial statements for the Fourth Guaranteed Period
"Fourth Actual Profit"	the actual audited consolidated profits after tax of the Target Company calculated in accordance with HKFRS for the Fourth Guaranteed Period as shown in the Fourth Guarantee Certificate
"Fourth Guarantee Certificate"	a certificate to be issued by the Auditors certifying the amount of the audited consolidated profits after tax of the Target Company for the Fourth Guaranteed Period
"Fourth Guaranteed Period"	has the meaning ascribed thereto in the paragraph headed "Profit Guarantee" under the section "The Sale and Purchase Agreement" in this circular
"Fourth Guaranteed Profit"	has the meaning ascribed thereto in the paragraph headed "Profit Guarantee" under the section "The Sale and Purchase Agreement" in this circular
"Fourth Guaranteed Profit Compensation A"	the difference between the Fourth Guaranteed Profit and the Fourth Actual Profit
"Fourth Guaranteed Profit Compensation B"	the sum of the Fourth Actual Loss and the Fourth Guaranteed Profit, where the Fourth Actual Loss shall be deemed as an absolute figure
"Fourth Retained Consideration"	has the meaning ascribed thereto in the paragraph headed "Consideration" under the section "The Sale and Purchase Agreement" in this circular

"Group"	the Company and its subsidiaries
"Guarantee Certificate"	the First Guarantee Certificate, the Second Guarantee Certificate, the Third Guarantee Certificate or the Fourth Guarantee Certificate, as the case may be
"Guaranteed NAV"	has the meaning ascribed thereto in the paragraph headed "Net asset value guarantee" under the section "The Sale and Purchase Agreement" in this circular
"Guaranteed Period"	the First Guaranteed Period, the Second Guaranteed Period, the Third Guaranteed Period or the Fourth Guaranteed Period, as the case may be
"Guaranteed Profit"	the First Guaranteed Profit, the Second Guaranteed Profit, the Third Guaranteed Profit or the Fourth Guaranteed Profit, as the case may be
"Guaranteed Profit Compensation A"	the First Guaranteed Profit Compensation A, the Second Guaranteed Profit Compensation A, the Third Guaranteed Profit Compensation A or the Fourth Guaranteed Profit Compensation A, as the case may be
"Guaranteed Profit Compensation B"	the First Guaranteed Profit Compensation B, the Second Guaranteed Profit Compensation B, the Third Guaranteed Profit Compensation B or the Fourth Guaranteed Profit Compensation B, as the case may be
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HKFRS"	the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
"Independent Third Party"	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

"Lease Agreement"	the lease agreement(s) to be entered into between China Resources and the Target Company in relation to the lease of Suite 2206-10, 22/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong for a term of three years commencing from 1 April 2019 and expiring on 31 March 2022
"Latest Practicable Date"	2 May 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information referred to in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"NAV Guarantee Certificate"	a certificate to be issued by the Auditors certifying the amount payable by the Vendors to the Company, being the difference between the Guaranteed NAV and the Actual NAV, if the Actual NAV is less than the Guaranteed NAV
"Offer Letter"	the offer letter dated 28 March 2019 issued by China Resources (as the landlord) and accepted by the Target Company and the Company (as joint tenants) in respect of the lease of the China Resources Building Property for a fixed term of three years commencing from 1 April 2019 and expiring on 31 March 2022
"PRC"	the People's Republic of China, and for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Retained Consideration"	the First Retained Consideration, the Second Retained Consideration, the Third Retained Consideration or the Fourth Retained Consideration, as the case may be
"Reorganisation"	has the meaning ascribed thereto in the paragraph headed "Conditions Precedent" under the section "The Sale and Purchase Agreement" in this circular

"Responsible Officers"	the responsible officers of ChaoShang Securities and ChaoShang Asset Management, namely Mr. Au Kwong Hoi, Ms. Kwan Chung Yan and Mr. Wu Wai Kong, Lawrence (or such other responsible officers of the Target Group from time to time and as agreed by the Company)
"Sale and Purchase Agreement"	the conditional sale and purchase agreement dated 7 January 2019 entered into between the Company and the Vendors, as amended and supplemented by the Supplemental Agreement, in respect of the Acquisition
"Sale Shares"	a total of 13,000 issued shares of the Target Company, representing the entire issued share capital of the Target Company
"Second Actual Loss"	a loss in the Target Company's audited consolidated financial statements for the Second Guaranteed Period
"Second Actual Profit"	the actual audited consolidated profits after tax of the Target Company calculated in accordance with HKFRS for the Second Guaranteed Period as shown in the Second Guarantee Certificate
"Second Guarantee Certificate"	a certificate to be issued by the Auditors certifying the amount of the audited consolidated profits after tax of the Target Company for the Second Guaranteed Period
"Second Guaranteed Period"	has the meaning ascribed thereto in the paragraph headed "Profit Guarantee" under the section "The Sale and Purchase Agreement" in this circular
"Second Guaranteed Profit"	has the meaning ascribed thereto in the paragraph headed "Profit Guarantee" under the section "The Sale and Purchase Agreement" in this circular
"Second Guaranteed Profit Compensation A"	the difference between the Second Guaranteed Profit and the Second Actual Profit
"Second Guaranteed Profit Compensation B"	the sum of the Second Actual Loss and the Second Guaranteed Profit, where the Second Actual Loss shall be deemed as an absolute figure

"Second Retained Consideration"	has the meaning ascribed thereto in the paragraph headed "Consideration" under the section "The Sale and Purchase Agreement" in this circular
"Second Vendor"	Guo Keqin (郭克勤), being a shareholder of the Target Company holding 3,750 issued shares of the Target Company, representing 28.85% of the total issued share capital of the Target Company
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting of the Company to be convened and held at Suite 2202, 22/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on Friday, 31 May 2019 at 11:00 a.m. for the Shareholders to consider and approve (i) the Sale and Purchase Agreement and the transactions contemplated thereunder; and (ii) the Change of Company Name
"Share(s)"	ordinary share(s) of HK$0.02 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the issued Share(s) from time to time
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supplemental Agreement"	the supplemental agreement dated 20 March 2019 entered into between the Company and the Vendors in respect of the Acquisition
"Target Company"	ChaoShang Financial Holding Limited, a company incorporated in the British Virgin Islands with limited liability
"Target Group"	the Target Company, ChaoShang Securities, ChaoShang Asset Management and Chaoshang Enterprise collectively
"Target Group Consolidated NAV"	has the meaning ascribed thereto in the paragraph headed "Net asset value guarantee" under the section "The Sale and Purchase Agreement" in this circular

"Third Actual Loss"	a loss in the Target Company's audited consolidated financial statements for the Third Guaranteed Period
"Third Actual Profit"	the actual audited consolidated profits after tax of the Target Company calculated in accordance with HKFRS for the Third Guaranteed Period as shown in the Third Guarantee Certificate
"Third Guarantee Certificate"	a certificate to be issued by the Auditors certifying the amount of the audited consolidated profits after tax of the Target Company for the Third Guaranteed Period
"Third Guaranteed Period"	has the meaning ascribed thereto in the paragraph headed "Profit Guarantee" under the section "The Sale and Purchase Agreement" in this circular
"Third Guaranteed Profit"	has the meaning ascribed thereto in the paragraph headed "Profit Guarantee" under the section "The Sale and Purchase Agreement" in this circular
"Third Guaranteed Profit Compensation A"	the difference between the Third Guaranteed Profit and the Third Actual Profit
"Third Guaranteed Profit Compensation B"	the sum of the Third Actual Loss and the Third Guaranteed Profit, where the Third Actual Loss shall be deemed as an absolute figure
"Third Retained Consideration"	has the meaning ascribed thereto in the paragraph headed "Consideration" under the section "The Sale and Purchase Agreement" in this circular
"Third Vendor"	Harmony Happy Limited, a company incorporated in Samoa with limited liability and a shareholder of the Target Company holding 3,250 shares of the Target Company, representing 25% of the total issued share capital of the Target Company
"Vendors"	the First Vendor, the Second Vendor and the Third Vendor collectively
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"%"	per cent.

NOBLE CENTURY INVESTMENT HOLDINGS LIMITED

仁瑞投資控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 2322)

Executive Directors:
Ms. Zheng Juhua *(Chairman)*
Mr. Chan Chi Yuen

Independent non-executive Directors:
Mr. Man Kwok Leung
Mr. Yu Pak Yan, Peter
Mr. Chi Chi Hung, Kenneth

Registered Office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Head office and principal place of business in Hong Kong:
Suite 2202, 22/F.
China Resources Building
26 Harbour Road
Wanchai
Hong Kong

8 May 2019

To the Shareholders

Dear Sir or Madam,

(1) MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE EQUITY INTEREST IN CHAOSHANG FINANCIAL HOLDING LIMITED (2) CHANGE OF COMPANY NAME AND (3) NOTICE OF SGM

INTRODUCTION

References are made to the Announcements in relation to the Acquisition which constituted a major transaction for the Company under Chapter 14 of the Listing Rules.

On 7 January 2019, the Company entered into the Sale and Purchase Agreement (as amended and supplemented by the Supplemental Agreement dated 20 March 2019) with the Vendors, pursuant to which the Company has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the Sale Shares for the Consideration of HK$250,000,000.

The purpose of this circular is to provide you with, among other things, (i) further information on the Sale and Purchase Agreement and the transactions contemplated thereunder and the Change of Company Name; (ii) financial information of the Group and the Target Group; (iii) unaudited pro forma financial information of the Enlarged Group; and (iv) a notice convening the SGM.

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are summarised as follows:

Date: 7 January 2019

Parties:
(i) the Company;
(ii) the First Vendor;
(iii) the Second Vendor; and
(iv) the Third Vendor

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Vendors and his/its respective associates is an Independent Third Party.

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Company has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the Sale Shares. As at the Latest Practicable Date, (i) the First Vendor owned 6,000 issued shares of the Target Company, representing 46.15% of the total issued share capital of the Target Company; (ii) the Second Vendor owned 3,750 issued shares of the Target Company, representing 28.85% of the total issued share capital of the Target Company; and (iii) the Third Vendor owned 3,250 shares of the Target Company, representing 25% of the total issued share capital of the Target Company. The Sale Shares represent the entire issued share capital of the Target Company.

Consideration

The Consideration for the Sale Shares is HK$250,000,000 and shall be satisfied by the Company in the following manner:

(i) as to HK$30,000,000 shall be paid by the Company to the First Vendor, the Second Vendor and the Third Vendor in proportion to the Sale Shares being sold by each of the Vendors by way of cash as a refundable deposit (the "**Deposit**") within sixty (60) days from the date of the Sale and Purchase Agreement (or such later date as the Vendors and the Company may agree in writing) (which on Completion shall form part of the Consideration);

(ii) as to HK$182,500,000 shall be paid by the Company to the First Vendor, the Second Vendor and the Third Vendor in proportion to the Sale Shares being sold by each of the Vendors at Completion; and

(iii) the remaining balance in the amount of HK$37,500,000 (the "**Total Retained Consideration**") shall be retained by the Company at Completion as security, and subject to the fulfillment of the relevant Guaranteed Profit, the Total Retained Consideration shall be released and payable by the Company to the Vendors in the following manner:

(a) subject to the fulfilment of the First Guaranteed Profit, an amount (AA) (the "**First Retained Consideration**") shall be released and payable by the Company to the First Vendor, the Second Vendor and the Third Vendor in proportion to the Sale Shares being sold by each of the Vendors in cash within seven (7) Business Days upon receipt of the First Guarantee Certificate, such First Retained Consideration shall be calculated as follows:

$$AA = HK\$10{,}000{,}000 \times \frac{N}{365 \text{ days}}$$

where:

"**N**" represents total number of days within the First Guaranteed Period

(b) subject to the fulfilment of the Second Guaranteed Profit, an amount (BB) (the "**Second Retained Consideration**") shall be released and payable by the Company to the First Vendor, the Second Vendor and the Third Vendor in proportion to the Sale Shares being sold by each of the Vendors in cash within seven (7) Business Days upon receipt of the Second Guarantee Certificate, such Second Retained Consideration shall be calculated as follows:

$$BB = \text{(HK\$10,000,000 – First Retained Consideration)} + \text{HK\$12,500,000} \times \frac{N}{\text{365 days}}$$

where:

"**N**" represents total number of days within the First Guaranteed Period

(c) subject to the fulfilment of the Third Guaranteed Profit, an amount (CC) (the "**Third Retained Consideration**") shall be released and payable by the Company to the First Vendor, the Second Vendor and the Third Vendor in proportion to the Sale Shares being sold by each of the Vendors in cash within seven (7) Business Days upon receipt of the Third Guarantee Certificate, such Third Retained Consideration shall be calculated as follows:

$$CC = \text{HK\$12,500,000} \times \frac{\text{365 days} - N}{\text{365 days}} + \text{HK\$15,000,000} \times \frac{N}{\text{365 days}}$$

where:

"**N**" represents total number of days within the First Guaranteed Period

(d) subject to the fulfilment of the Fourth Guaranteed Profit, an amount (DD) (the "**Fourth Retained Consideration**") shall be released and payable by the Company to the First Vendor, the Second Vendor and the Third Vendor in proportion to the Sale Shares being sold by each of the Vendors in cash within seven (7) Business Days upon receipt of the Fourth Guarantee Certificate, such Fourth Retained Consideration shall be calculated as follows:

$$DD = HK\$15{,}000{,}000 \times \frac{365 \text{ days} - N}{365 \text{ days}}$$

where:

"**N**" represents total number of days within the First Guaranteed Period

The Consideration was determined after arm's length negotiations between the parties to the Sale and Purchase Agreement on normal commercial terms, after taking into account, among others, (i) the unaudited net asset value of the Target Group as at 30 November 2018 amounting to approximately HK$140,000,000; (ii) operating results of the Target Group; (iii) the net asset value guarantee of HK$150,000,000; (iv) the Guaranteed Profit of HK$75,000,000 provided by the Vendors; (v) the premium over net asset value of corporation licensed by the SFC to carry out Type 1, 2, 4 and 9 regulated activities of HK$30,000,000 as at 31 December 2018 based on the preliminary assessment report prepared by an independent valuer using market approach; and (vi) other factors as set out in the paragraph headed "Reasons for and Benefits of the Acquisition" in this circular.

It is expected that the Consideration will be funded by internal resources of the Group and/or possible fund raising exercise, which may include bank loans, the issue of promissory notes and/or equity financing. As disclosed in the announcement of the Company dated 12 April 2019, the Company entered into a placing agreement with a placing agent in relation to the establishment of a bond issue programme for the issue of bonds. The Company intends to utilise the net proceeds from the placing of the bonds for general working capital of the Group and not for satisfying the Consideration. As at the Latest Practicable Date, save for the aforementioned bond issue programme, the Company has not been in negotiation or discussion with any party in relation to any fund raising activities. In the event of any equity financing, the Directors consider that it is not expected that it would constitute a change in control of the Company. The Company would comply with the Listing Rules in relation to any possible fund raising exercise as and when appropriate.

Preliminary Valuation

The preliminary assessment of the premium above net asset value of the corporation licensed by the SFC to carry out Type 1, Type 2, Type 4 and Type 9 regulated activities of HK$30,000,000 as at 31 December 2018 was prepared by Peak Vision Appraisals Limited, an independent and professionally qualified valuer, using the market approach, comparable transaction method.

As disclosed in the aforementioned preliminary assessment report, the assumptions made are set out as follows:

(i) for the business entity using the SFC licences to continue as a going concern, the business entity will successfully carry out all necessary activities for the development of its businesses;

(ii) the availability of finance will not be a constraint on the growth of the business entity's operations in accordance with the business plans;

(iii) market trends and conditions where the business entity using SFC licences operates will not deviate significantly from the economic forecasts in general;

(iv) key management, competent personnel and technical staff will all be retained to support the ongoing operations of business entity using the SFC licences;

(v) all relevant approvals, business certificates, licences or other legislative or administrative authority from any local, provincial or national government, or private entity or organization required to operate in the localities where the business entity using the SFC licences operates or intends to operate will be officially obtained and renewable upon expiry unless otherwise stated; and

(vi) there will be no major changes in the political, legal, economic or financial conditions and taxation laws in the localities in which the business entity using the SFC licences operates or intends to operate, which would adversely affect the revenues and profits attributable to the business entity using the SFC licences.

The Board considers that that the methodology and assumptions adopted by the valuer in the preliminary assessment report are fair and reasonable. Regarding assumption (iv) as set out above, the independent valuer is of the view that such assumption is a commonly and generally adopted assumption in the valuation of a business subject as it is unlikely to predict changes in key management, competent personnel and technical staff of the business entity and any change in key management, competent personnel and technical staff may lead to uncertainty in the business operations of the subject business and such impact to the value of the subject business may not be quantified. In light of the above, the Board considers that such assumption adopted by the valuer is fair and reasonable.

With a view to retain the key personnel of the Target Group in order to support the ongoing operations of the Target Group, it is one of the conditions precedent for ChaoShang Securities and/or ChaoShang Asset Management (as the case may be) to have executed the employment contracts with each of the existing Responsible Officers, of which Mr. Au Kwong Hoi is also the managing director of the Target Group and Ms. Kwan Chun Yan is also the trading manager of the Target Group, on or before Completion. Such employment contracts shall be in the form agreed by the Company, having a term ending no earlier than three years from the Completion Date unless both parties agree otherwise. The Company also plans to retain other key employees of the Target Group to ensure the smooth operations of the Target Group after Completion.

Net asset value guarantee

Pursuant to the Sale and Purchase Agreement, each of the Vendors, jointly and severally, irrevocably warrants and guarantees to the Company that the audited consolidated tangible net asset value of the Target Group as determined by the Auditors as at the Completion Date (the "**Target Group Consolidated NAV**") shall not be less than HK$150,000,000 (the "**Guaranteed NAV**").

If the actual Target Group Consolidated NAV as at the Completion Date (the "**Actual NAV**") as shown in the NAV Guarantee Certificate is less than the Guaranteed NAV, then each of the Vendors jointly and severally undertake with the Company that the Vendors shall compensate the Company the amount of such shortfall in proportion to the Sale Shares being sold by each of the Vendors. The Vendors shall pay to the Company the compensation due (if any) in cash within seven (7) Business Days upon receipt of the NAV Guarantee Certificate or a confirmation that no amount is payable thereunder (as the case may be).

The amount of the Guaranteed NAV was determined with reference to (i) the net asset value of the Target Group of approximately HK$140 million based on its unaudited combined financial statements as at 30 November 2018; and (ii) the estimated profit after tax for the period commencing from 1 December 2018 and ending on the Completion Date of not less than HK$10 million with reference to the audited combined profit after tax of approximately HK$21.4 million recorded by the Target Group for the year ended 31 December 2017 and the unaudited combined profit after tax of approximately HK$19.1 million recorded by the Target Group for the period commencing from 1 January 2018 and ending on 30 November 2018.

Profit Guarantee

Pursuant to the Sale and Purchase Agreement, each of the Vendors irrevocably and unconditionally warrants and guarantees to the Company that the audited profits after tax of the Target Company calculated in accordance with the HKFRS as shown in its audited consolidated financial statements for (i) the period commencing from the Completion Date and ending on the closest financial year end date (the "**First Guaranteed Period**"); (ii) the financial year following the First Guaranteed Period (the "**Second Guaranteed Period**"); (iii) the financial year following the Second Guaranteed Period (the "**Third Guaranteed Period**"); and (iv) the period commencing from the date immediately after the Third Guaranteed Period and ending on a date which together with the First Guaranteed Period shall add up to 365 days (the "**Fourth Guaranteed Period**") issued by the Auditors respectively shall not be less than the respective amounts as calculated below:

(i) First Guaranteed Period

$$\text{First Guaranteed Profit} = \text{HK\$20,000,000} \times \frac{N}{\text{365 days}}$$

where:

"**N**" represents total number of days within the First Guaranteed Period

(ii) Second Guaranteed Period

$$\text{Second Guaranteed Profit} = \begin{array}{c}\text{(HK\$20,000,000 –}\\ \text{First Guaranteed Profit)}\end{array} + \text{HK\$25,000,000} \times \frac{N}{\text{365 days}}$$

where:

"**N**" represents total number of days within the First Guaranteed Period

(iii) Third Guaranteed Period

$$\text{Third Guaranteed Profit} = \text{HK\$25,000,000} \times \frac{\text{365 days} - \text{N}}{\text{365 days}} + \text{HK\$30,000,000} \times \frac{\text{N}}{\text{365 days}}$$

where:

"**N**" represents total number of days within the First Guaranteed Period

(iv) Fourth Guaranteed Period

$$\text{Fourth Guaranteed Profit} = \text{HK\$30,000,000} \times \frac{\text{365 days} - \text{N}}{\text{365 days}}$$

where:

"**N**" represents total number of days within the First Guaranteed Period

The amount of the respective Guaranteed Profits was determined with reference to the operating results of the Target Group for the year ended 31 December 2017 and the period commencing from 1 January 2018 and ending on 30 November 2018. The guaranteed profit for the first 12-month period commencing from the Completion Date of HK$20 million is determined based on the audited combined profit after tax for the year ended 31 December 2017 and the unaudited combined profit after tax for the period commencing from 1 January 2018 and ending on 30 November 2018 which are in the range of HK$19 million to HK$21 million. The guaranteed profit for the second 12-month period commencing from the first anniversary of the Completion Date of HK$25 million represents the estimated growth of 25% as compared with that of the first 12-month period. The guaranteed profit for the third 12-month period commencing from the second anniversary of the Completion Date of HK$30 million represents the estimated growth of 20% as compared with that of the second 12-month period.

The estimated profit growth of 25% and 20% in the second and third year after the Completion Date were determined as a result of arm's length negotiations between the parties to the Sale and Purchase Agreement having primarily considered the following:

(i) since the Target Group has been appointed as the placing agent, sub-placing agent, underwriter or sub-underwriter by several companies listed on the Main Board or GEM of the Stock Exchange, the Target Group has gradually gained market reputation and increased its customer base, the Directors and the management of the Target Group are confident that these listed companies or their shareholders may consider reappointing the Target Group when they have further funding or investment requirements;

(ii) the good relationship which the Target Group has maintained with other brokerage firms would provide opportunities to the Target Group to act as sub-underwriters and sub-placing agents for various new issues and fund-raising exercises in the market;

(iii) following Completion, the corporate image of the Target Group would be strengthened by becoming a wholly-owned subsidiary of the Company, and thereby enhancing the competitiveness of the Target Group; and

(iv) since the Stock Exchange's average daily turnover in the securities market has been gradually increasing from HK$88.2 billion in 2017 to HK$107.4 billion in 2018 by 21.77%, the parties are confident that the brokerage commission income of the Target Group would also increase in the coming years.

Taking into consideration the above, the Directors and the management of the Target Group expect that the relevant guaranteed profits shall be achievable.

If the actual audited consolidated profits after tax of the Target Company calculated in accordance with HKFRS for the relevant Guaranteed Period as shown in the relevant Guarantee Certificate is not less than the relevant Guaranteed Profit, the Company shall (i) release and pay to the First Vendor, the Second Vendor and the Third Vendor in proportion to the Sales Shares being sold by each of the Vendors the relevant Retained Consideration in full to set off against the Total Retained Consideration as set out in the paragraph headed "Consideration" under the section "The Sale and Purchase Agreement" in this letter; and (ii) procure the Target Company to pay an amount equivalent to 50% of the difference between the Actual Profit and the Guaranteed Profit (if any) to the First Vendor, the Second Vendor and the Third Vendor in proportion to the Sale Shares being sold by each of the Vendors in cash within seven (7) Business Days upon receipt of the relevant Guarantee Certificate.

If the relevant Actual Profit is less than the relevant Guaranteed Profit, then the Vendors shall pay an amount (A) (the "**Guaranteed Profit Compensation A**") to the Target Company calculated as follows:

A = Guaranteed Profit – Actual Profit

where:

(i) In the event that the relevant Guaranteed Profit Compensation A is more than the relevant Retained Consideration, the relevant Guaranteed Profit Compensation A shall be satisfied by first setting off against the relevant Retained Consideration and any remaining balance of the relevant Guaranteed Profit Compensation A shall be jointly and severally payable by the Vendors to the Target Company in cash within seven (7) Business Days upon receipt of the relevant Guarantee Certificate.

(ii) In the event that the relevant Guaranteed Profit Compensation A is equal to the relevant Retained Consideration, the relevant Guaranteed Profit Compensation A shall be satisfied by setting off against the relevant Retained Consideration and the Vendors shall not be obliged to pay the Target Company any further amount.

(iii) In the event that the relevant Guaranteed Profit Compensation A is less than the relevant Retained Consideration, the relevant Guaranteed Profit Compensation A shall be satisfied by setting off against the relevant Retained Consideration and the Company shall be obliged to pay the Vendors the remaining balance of the relevant Retained Consideration in cash within seven (7) Business Days upon receipt of the relevant Guarantee Certificate.

If the Target Company records a loss in its audited consolidated financial statements for the Guaranteed Period, the Vendors shall pay an amount (B) (the "**Guaranteed Profit Compensation B**") to the Target Company calculated as follows:

B = Actual Loss + Guaranteed Profit

where:

Actual Loss shall be deemed as an absolute figure.

The Guaranteed Profit Compensation B shall be satisfied by first setting off against the relevant Retained Consideration in full and the remaining balance of the Guaranteed Profit Compensation B shall be jointly and severally payable by the Vendors to the Target Company in cash within seven (7) Business Days upon receipt of the relevant Guarantee Certificate.

The Company will publish announcement(s) and disclose in its future annual report(s), among others, the outcome of the Guaranteed Profits and the performance of the Target Group for the relevant Guaranteed Period, as and when appropriate.

Conditions Precedent

Pursuant to the Sale and Purchase Agreement, Completion is subject to the following conditions having been fulfilled or waived (as the case may be):

(i) the Company being satisfied in its absolute discretion with the results of the due diligence review to be conducted pursuant to the terms and conditions of the Sale and Purchase Agreement;

(ii) all necessary consents, licenses and/or approvals from the shareholders and regulators required to be obtained on the part of the Vendors and the Target Company in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained and remain in full force and effect;

(iii) all necessary consents, licences and/or approvals from the shareholders and regulators required to be obtained on the part of the Company in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained and remain in full force and effect;

(iv) the passing by the shareholders of the Company, at the SGM to be convened and held in accordance with the requirements of the Listing Rules, of such resolutions to approve the Sale and Purchase Agreement and the transactions contemplated thereunder;

(v) the warranties given by the Vendors remaining true and accurate and not misleading in all material respects;

(vi) ChaoShang Securities and/or ChaoShang Asset Management (as the case may be) having executed the employment contracts with each of the Responsible Officers;

(vii) the entering into of the Disposal Agreement(s) in relation to the disposal of the entire issued share capital of each of ChaoShang Entertainment, Chaoshang Group Co, ChaoShang International, Chaoshang Bullion, ChaoShang OBOR, ChaoShang Wealth Management, ChaoShang Credit and ChaoShang Asset Management (Cayman) by the Target Company and the completion of the Disposal Agreement(s) (the "**Reorganisation**");

(viii) the approval from the SFC in relation to the change of substantial shareholder (as defined in the SFO), the change of premises to be used for keeping records or documents (if applicable) of ChaoShang Securities and ChaoShang Asset Management, and all other necessary approval in relation to the transactions contemplated thereunder, having been obtained and not revoked, cancelled or lapsed at Completion; and

(ix) the entering into of the Lease Agreement.

Each of the Vendors shall use his/its best endeavours to procure the fulfillment of the conditions precedent as set out above and in particular (without limiting the generality of the foregoing) assist the Company in respect of the conditions precedent (i) and procure that copies of all information and documents required to be submitted to the SFC and other relevant regulatory authorities pursuant to applicable rules, codes and regulations are duly given to the Company within a reasonable time.

The Company may at any time waive in writing any of the conditions as set out in (i) and (v) above and all other conditions precedent are incapable of being waived by the parties to the Sale and Purchase Agreement. If the above conditions have not been satisfied (or as the case may be, waived by the Company) on or before 12:00 noon on 30 June 2019, or such later date as the Vendors and the Company may agree in writing, the Sale and Purchase Agreement shall cease and determine, the Vendors shall jointly and severally refund the Deposit in full to the Company forthwith, and thereafter none of the parties to the Sale and Purchase Agreement shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

As at the Latest Practicable Date, save for conditions (vii) and (ix) set out above, none of the above conditions have been fulfilled.

The Offer Letter and the formal lease agreement

Reference is made to the announcement of the Company dated 28 March 2019 in relation to, among other things, the Offer Letter. For the purpose of procuring the fulfillment of condition (ix) as set out in the paragraph headed "Conditions Precedent" under the section "The Sale and Purchase Agreement" in this letter, on 28 March 2019, the Target Company and the Company as joint tenants accepted the Offer Letter issued by China Resources as the landlord in respect of the China Resources Building Property for a fixed term of three years commencing from 1 April 2019 and expiring on 31 March 2022.

On 23 April 2019, the formal lease agreement was entered into between China Resources as the landlord and the Target Company and the Company as the joint tenants in respect of the lease of the China Resources Building Property, the principal terms therein are in line with and have no material difference from the terms as set out in the Offer Letter.

The principal terms of the Offer Letter and the formal lease agreement are set out below:

	Offer Letter	**Formal lease agreement**
Date:	28 March 2019	23 April 2019
Parties:	(1) Target Company (as joint tenant) (2) Company (as joint tenant) (3) China Resources (as landlord)	
Premises:	Suite 2206-10, 22/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong with a total saleable area of approximately 11,545 square feet	
Term:	a fixed term of three years commencing from 1 April 2019 and expiring on 31 March 2022	
Monthly rent (exclusive of management fees and government rates):	HK$761,970 per month commencing from 1 April 2019 and expiring on 31 March 2022	
Management fee:	HK$98,132.50 per month (subject to review)	
Formal lease agreement:	a formal lease agreement shall be executed by the Target Company and the Company and return the same to China Resources within 14 days from the date of receipt of the formal lease agreement	

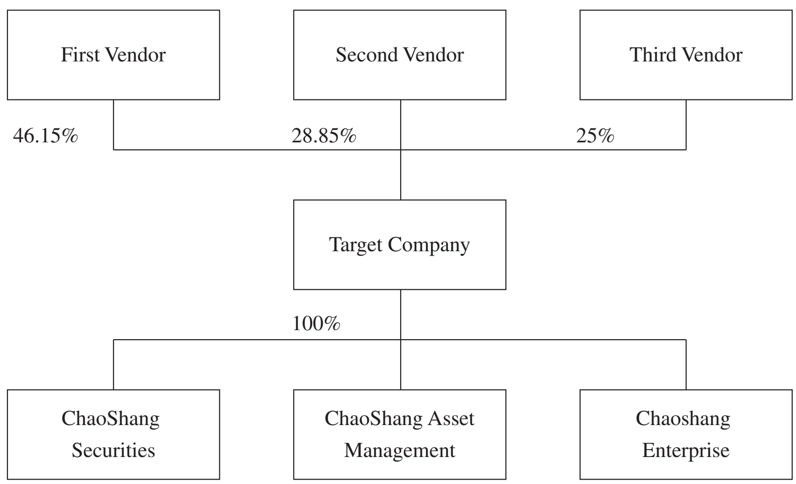
Completion

Completion shall take place on the date falling on the third Business Day after the fulfillment (or waiver) of all the conditions precedent of the Sale and Purchase Agreement, or such other date as the Vendors and the Company may agree.

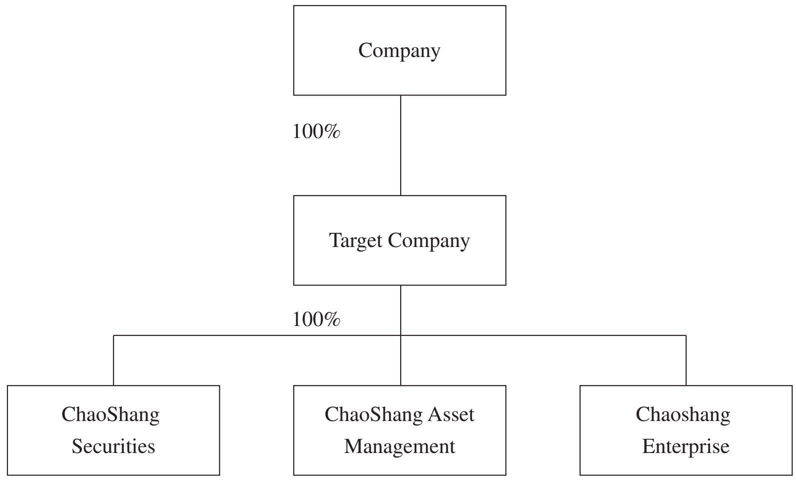
INFORMATION ON THE TARGET GROUP

The following diagrams illustrate the simplified shareholding structures of (i) the Target Group immediately after the Reorganisation and as at the Latest Practicable Date; and (ii) the Target Group immediately after Completion:

Shareholding structure of the Target Group immediately after the Reorganisation and as at the Latest Practicable Date



Shareholding structure of the Target Group immediately after Completion



The Target Group consists of the Target Company, ChaoShang Securities, ChaoShang Asset Management and Chaoshang Enterprise, details of which are as follows:

(i) Target Company

The Target Company is a company incorporated under the laws of the British Virgin Islands with limited liability and is principally engaged in investment holding.

As at the Latest Practicable Date, (i) the First Vendor owned 6,000 issued shares of the Target Company, representing 46.15% of the total issued share capital of the Target Company; (ii) the Second Vendor owned 3,750 issued shares of the Target Company, representing 28.85% of the total issued share capital of the Target Company; and (iii) the Third Vendor owned 3,250 shares of the Target Company, representing 25% of the total issued share capital of the Target Company.

As at the Latest Practicable Date, the Target Company directly owns the entire equity interest of three subsidiaries, namely ChaoShang Securities, ChaoShang Asset Management and Chaoshang Enterprise.

(ii) ChaoShang Securities

ChaoShang Securities is a company incorporated in Hong Kong with limited liability and a corporation licensed to carry on Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities as defined under the SFO.

ChaoShang Securities is principally engaged in securities brokerage business, which comprises of broking services in securities traded in Hong Kong and United States markets, margin financing services and placing and underwriting services to listed clients.

(iii) ChaoShang Asset Management

ChaoShang Asset Management is a company incorporated in Hong Kong with limited liability and a corporation licensed to carry on Type 4 (advising on securities) and Type 9 (asset management) regulated activities as defined under the SFO.

(iv) Chaoshang Enterprise

Chaoshang Enterprise is a company incorporated in Hong Kong with limited liability and is principally engaged in the provision of management services for its fellow subsidiaries.

Financial information of the Target Group

Set out below is the financial information of the Target Group based on the audited combined financial statements for the years ended 31 December 2017 and 2018 and prepared as if the Reorganisation has been completed at 1 January 2017 and 2018 respectively:

	For the year ended 31 December 2017	**For the year ended 31 December 2018**
	HK$	*HK$*
	HK$'000	*HK$'000*
Revenue		
– securities broking services	51,999	58,764
– assets management services	–	67
	51,999	58,831
Profit before tax	25,800	26,741
Profit after tax	21,385	22,053

The total assets, total liabilities and net assets of the Target Group as at 31 December 2018 according to its audited combined financial statements were approximately HK$198,179,000, HK$59,388,000 and HK$138,791,000 respectively.

MANAGEMENT EXPERTISE OF THE COMPANY

The management of the Company, particularly Mr. Chan Chi Yuen, Ms. Li Yue and Mr. Zhou Dezhao, have sufficient expertise to manage and operate the Target Group's businesses after Completion.

Mr. Chan Chi Yuen, an executive Director and chief executive officer of the Company, holds a bachelor's degree with honours in business administration and has extensive experience in financial management.

Ms. Li Yue, a finance manager of the Company, has a master's degree in financial management and a bachelor's degree in business management (accounting). She has over five years of experience in the banking industry.

Mr. Zhou Dezhao, a general manager of the Group's finance leasing department, holds a master's degree in business administration and a bachelor's degree in finance. He has over 15 years of experience in the banking industry. He had worked in several banks as a general manager in business department or business development department before joining the Group.

Further, as set out in the paragraph headed "Conditions Precedent" under the section "The Sale and Purchase Agreement" in this letter, it is a condition under the Sale and Purchase Agreement for ChaoShang Securities and/or ChaoShang Asset Management (as the case may be) to have executed the employment contracts with each of the Responsible Officers. Mr. Au Kwong Hoi, being one of the Responsible Officers, is also the founder and director of the Target Group since its incorporation. He is licensed to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company is an investment holding company and the Group is principally engaged in vessel chartering, trading, money lending and finance leasing. The Group has been engaged in finance leasing and money lending businesses (the "**Financial Services Business**") which have provided the Group with a stable revenue stream and have become one of the main business segments of the Group since the year 2014. Throughout the years, the Financial Services Business has established a strong client base, many of whom are also looking for other various financial services.

As disclosed in the annual report of the Company for the year ended 31 March 2018, the Group will actively identify and explore other investment and business opportunities to further broaden its assets and revenue base into a comprehensive portfolio. In addition, as disclosed in the interim report of the Company for the six months ended 30 September 2018, the Group's money lending business and finance leasing business contributed a stable profit during the period. In light of the above, the Group has been actively seeking to expand the type of financial products and services offered to its clients.

Since ChaoShang Securities is a corporation licensed to carry on Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities as defined under the SFO, whereas ChaoShang Asset Management is a corporation licensed to carry on Type 4 (advising on securities) and Type 9 (asset management) regulated activities as defined under the SFO, the Directors consider that the Acquisition would enable the Group to further diversify its business within the financial services sector, allow the Group to have access to the Target Group's professional expertise, customer base and business connections, and thereby provide viable business development opportunities to the Group. As such, the Directors take the view that the businesses of the Target Group would further complement the Group's existing Financial Services Business and the Group is expected to be benefited from diversifying its revenue stream through the Acquisition.

In view of the abovementioned benefits of the Acquisition, the Board is of the view that the terms of the Acquisition are fair and reasonable and the Acquisition are in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE ACQUISITION ON THE GROUP

Upon Completion, the Company will be interested in the entire equity interest in the Target Company. As such, the Target Company will become a wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the consolidated financial statements of the Group.

The accompanying unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group as set out in Appendix IV to this circular is prepared as if the Acquisition has been completed on 30 September 2018 to illustrate the effect of the Acquisition.

Assets and liabilities

After deducting the payment of the net cash consideration, transaction cost and deposit of the lease of approximately HK$201.3 million, HK$900,000 and HK$902,000 respectively, the consolidated total assets of the Group as at 30 September 2018 would have increased from approximately HK$811.8 million to the consolidated total assets of the Enlarged Group of approximately HK$930.7 million. Such increase would have been mainly attributable to the recognition of goodwill, an intangible asset and right-of-use asset arising from the Acquisition of approximately HK$62.0 million, 30.0 million and 26.2 million respectively and consolidation of the Target Group's total assets of approximately HK$198.2 million resulting from the Acquisition.

The consolidated total liabilities of the Group as at 30 September 2018 would have increased from approximately HK$47.7 million to the consolidated total liabilities of the Enlarged Group of approximately HK$167.6 million. Such increase would have been mainly attributable to the recognition of retained consideration payable, deferred tax liabilities and lease liabilities of approximately HK$30.1 million, HK$5.0 million and HK$25.4 million respectively and the consolidation of the Target Group's total liabilities of approximately HK$59.4 million resulting from the Acquisition.

Earnings

The Target Group will contribute securities broking services income to the Enlarged Group and will enhance the revenue stream of the Enlarged Group upon Completion. The Enlarged Group's earnings are expected to increase as a result of the Acquisition, after taking into account the revenue to be derived from the Target Group.

Further details of the financial effect of the Acquisition together with the bases and assumptions taken into account in preparing the unaudited pro forma financial information are set out, for illustration purpose only, in Appendix IV to this circular.

CHANGE OF COMPANY NAME

In connection with the Acquisition, the Board proposes to change the existing name of the Company from "Noble Century Investment Holdings Limited" to "Hong Kong ChaoShang Group Limited" and to adopt "香港潮商集團有限公司" as the secondary name in Chinese of the Company to replace its existing secondary name in Chinese "仁瑞投資控股有限公司".

Conditions for the Change of Company Name

The proposed Change of Company Name is subject to the following conditions:

(i) the passing of an ordinary resolution by the Shareholders to approve the Sale and Purchase Agreement and the transactions contemplated thereunder at the SGM;

(ii) the passing of a special resolution by the Shareholders to approve the Change of Company Name at the SGM; and

(iii) the approval for the Change of Company Name having been granted by of the Registrar of Companies in Bermuda and the issuance of a certificate of incorporation on a change of name and a certificate of secondary name by the Registrar of Companies in Bermuda.

Subject to the conditions set out above being satisfied, the Change of Company Name shall take effect from the date on which the Registrar of Companies in Bermuda enters the primary name and the secondary name (in place of the existing English name and secondary name in Chinese of the Company) on the register maintained by the Registrar of Companies in Bermuda. Upon the Change of Company Name becoming effective, the Company will carry out the necessary filing procedures with the Registrar of Companies in Hong Kong.

Reasons for the Change of Company Name

The Board considers that the proposed Change of Company Name will better reflect the business nature of the Group upon completion of the Acquisition. The Board believes that the new name will provide the Company with a fresh corporate image and identity which will benefit the Group's future business development and is in the interest of the Company and its Shareholders as a whole.

Effect of the Change of Company Name

The Change of Company Name will not affect any rights of the Shareholders. Once the Change of Company Name becomes effective, share certificates of the Company will be issued in the new name of the Company. However, all existing share certificates of the Company in issue bearing the existing name of the Company, will, after the Change of Company Name has become effective, continue to be effective and as documents of title to the Shares and will continue to be valid for trading, settlement, registration and delivery purposes. Accordingly, there will not be any arrangement for free exchange of the existing share certificate of the Company for new share certificates bearing the new name of the Company.

LISTING RULES IMPLICATIONS

As the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Acquisition is more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules, and is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the Latest Practicable Date, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the Acquisition and the Change of Company Name and as such, none of the Shareholders is required to abstain from voting at the SGM in respect of the resolution(s) to approve the Acquisition and the Change of Company Name.

SGM

A notice convening the SGM to be held at Suite 2202, 22/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on Friday, 31 May 2019 at 11:00 a.m. is set out on pages SGM-1 to SGM-3 of this circular, for the Shareholders to consider and, if thought fit, to approve (i) the Sale and Purchase Agreement and the transactions contemplated thereunder; and (ii) the Change of Company Name.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for holding of the SGM or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjourned meeting thereof (as the case may be) should you so desire.

RECOMMENDATIONS

The Directors (including the independent non-executive Directors) consider that (i) the terms of the Acquisition are on normal commercial terms, fair and reasonable; and (ii) both the Acquisition and the Change of Company Name are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend that all Shareholders to vote in favour of all the resolutions to be proposed at the SGM.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Noble Century Investment Holdings Limited
Ms. Zheng Juhua
Chairman

I. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for each of the three years ended 31 March 2016, 2017 and 2018 and six months ended 30 September 2018 are disclosed in the following documents which have been published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at http://www.noblecentury.hk:

- interim report of the Company for the six months ended 30 September 2018 published on 27 December 2018 (hyperlink: http://www3.hkexnews.hk/listedco/listconews/SEHK/2018/1227/LTN20181227973.pdf);
- annual report of the Company for the year ended 31 March 2018 (pages 80-194) published on 27 July 2018 (hyperlink: http://www3.hkexnews.hk/listedco/listconews/SEHK/2018/0727/LTN20180727457.pdf);
- annual report of the Company for the year ended 31 March 2017 (pages 83-182) published on 28 July 2017 (hyperlink: http://www3.hkexnews.hk/listedco/listconews/SEHK/2017/0728/LTN20170728019.pdf); and
- annual report of the Company for the year ended 31 March 2016 (pages 53-126) published on 29 July 2016 (hyperlink: http://www3.hkexnews.hk/listedco/listconews/SEHK/2016/0729/LTN20160729013.pdf).

II. INDEBTEDNESS STATEMENT

At the close of business on 31 March 2019, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Enlarged Group had outstanding borrowings of approximately HK$4,783,000 comprise obligation under finance leases of approximately HK$227,000 and unsecured and unguaranteed amount due to a Director of approximately HK$4,556,000.

	HK$
Carry amounts repayable:	
Within one year or on demand, disclosed as current liabilities	4,647,000
More than one year, but not exceeding five years, disclosed s non-current liabilities	136,000
	4,783,000

Pledge of assets

As at 31 March 2019, the Enlarged Group's obligation of finance lease and an other payable were secured by a leased asset and a vessel owned by the Enlarged Group with carrying value of approximately HK$19,440,000.

Save as disclosed above, and apart from intra-group liabilities, normal trade payables and contract liabilities, the Enlarged Group did not have, at the close of business on 31 March 2019, any other debt securities issued and outstanding, or authorised or otherwise created but unissued, any other term loans, any other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptance (other than normal trade bills) or acceptance credits or hire purchase commitments, any other mortgages and charges or any guarantees or any finance lease commitments or material contingent liabilities.

On 12 April 2019, the Company entered into a placing agreement (the "**Placing Agreement**") with a placing agent to place the bonds of an aggregate principal amount of up to HK$50,000,000. As at the Lastest Practicable Date, the Company issued a bond of an aggregate principal amount of HK$7,800,000. Except for the Placing Agreement, to the best knowledge of the directors, having made all reasonable enquiries, there has been no material change in indebtedness or contingent liabilities of the Enlarged Group since 31 March 2019.

III. WORKING CAPITAL STATEMENT

The Directors are of the opinion that, taking into account its presently available financial resources and the existing credit facilities available to the Enlarged Group and the effects of the Completion, the Enlarged Group will have sufficient working capital for its normal business for at least the next 12 months from the date of this circular in the absence of unforeseen circumstances.

IV. MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, there was not any material adverse change in the financial or trading position of the Group since 31 March 2018, being the date to which the latest published audited consolidated financial statements of the Group were made up.

V. FINANCIAL AND TRADING PROSPECT OF THE GROUP

As stated in the interim report of the Company for the six months ended 30 September 2018, the Group is principally engaged in vessel chartering, trading, money lending and finance leasing.

Vessel Chartering Business

During the six months ended 30 September 2015, a turnover of approximately HK$9.2 million recorded by the Group was attributable to the Vessel Bao Xin, which was a general cargo ship of 30,297 DWTs that could be utilised in most dry bulk cargo shipments.

Vessel Bao Xin was disposed of by the Group in January 2016, the Group acquired another two vessels, namely Vessel 601 and 602, as a replacement. Vessel 601 and Vessel 602 are multi-purpose deck cargo ships of 5,821 DWTs which were mainly engaged in the carriage of construction materials and wastes in the PRC. During the six months ended 30 September 2016, a turnover of approximately HK$2.4 million with a loss of approximately HK$1.2 million recognised by the Group was attributable to Vessel 601 and Vessel 602 which secured one short-term contract with a rental period of approximately 72 days. Vessel 601 was later disposed of in December 2016 due to the decreased demand on carriage of construction materials and wastes during the year ended 31 March 2017.

During the six months ended 30 September 2017, a turnover of approximately HK$1.4 million with a loss of approximately HK$120,000 recognised by the Group was attributable to Vessel 602 which secured three short-term contracts with total rental period of approximately 70 days.

As disclosed in the annual report of the Group for the year ended 31 March 2018, the Group has secured a one-year chartering contract (the "**Chartering Contract**") for its vessel in February 2018. However, the Vessel 602 was out of order in May 2018, as such the Chartering Contract has been terminated. Vessel 602 was later repaired and back in operation in July 2018.

During the six months ended 30 September 2018, the Group has secured two chartering contracts to provide chartering services from April 2018 to May 2018 and July 2018 to September 2018 respectively. Accordingly, the Group recorded a turnover of approximately HK$1.5 million with a loss of approximately HK$838,000 during the six months ended 30 September 2018.

As at the Latest Practicable Date, the Group has secured a medium-term chartering contract with a rental period of six months.

The Board expects the vessel chartering business of the Group will be stable in the coming periods. The Board will take caution measures to closely monitor the efficiency and effectiveness of the operation of the Group's vessel chartering business.

Trading Business

During the six months ended 30 September 2018, the Group is principally engaged in seafood, frozen meat, electronics and other commercial products trading business in the PRC. The Group recorded a turnover of approximately HK$17.5 million with a loss of approximately HK$13.1 million from its trading business during the six months ended 30 September 2018 as compared to approximately HK$164.7 million and a loss of approximately HK$3.9 million respectively for the same period in 2017. The increase in loss of this segment was mainly attributable to the provision of impairment loss on trade receivables.

The Group's food trading business, comprising seafood and frozen meat products, recorded a turnover of approximately HK$17.3 million for the six months ended 30 September 2018, as compared to approximately HK$125.3 million for the last corresponding period. As disclosed in the annual report of the Group for the year ended 31 March 2018, the frozen meats smuggling problem in the PRC continues to be serious and yet to be solved during the six months ended 30 September 2018. As such, upon selling of all the remaining inventories as at 31 March 2018, the Group has not stocked up further frozen meat products during the period. The competition of the seafood market in the PRC was keen during the period and the turnover attributable to the Group has been dropped significantly during the six months ended 30 September 2018.

As at the Latest Practicable Date, the Group does not trade other food products apart from seafood and frozen meat. In light of the above, the Group will continue to operate its food trading business, comprising seafood and frozen meat products, but in a small economic scale in the near short term. The Group will also closely monitor the food trading market in the PRC and consider to deploy more resources in the development of its food trading business when the Directors consider appropriate. Looking forward, the Group will prudently manage its food trading business by minimizing operational risks through rigorous purchase and stringent cost control.

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$200,000 from trading of electronic and other commercial products for the six months ended 30 September 2018, as compared to approximately HK$39.4 million for the last corresponding period. The Group's electronic products trading business is expected to face difficulties in the coming periods due to the trade war between the PRC and the United States (the "**Trade War**"). As such, the Group entered into a disposal agreement on 24 September 2018, pursuant to which, the Group disposed of its 75% equity interest in Qianhai Jiulongfu, an indirect non-wholly owned subsidiary of the Company which is principally engaged in trading of electronic products, for a cash consideration of RMB31.2 million.

The Group will closely observe the recovery of the electronic products market in the PRC and monitor the development of the Trade War and its impact to the electronic products market in the PRC in order to cultivate a direction and policy to cope with the changing operating environment since a wholly-owned subsidiary of the Company, which was principally engaged in trading electronic products in the PRC before the formation of the joint venture company (Qianhai Jiulongfu), may resume its electronic products trading business when the Directors consider appropriate.

Money Lending Business

The Group's money lending business has been steadily developed during the six months ended 30 September 2018. There were loan portfolio in Hong Kong with principal amount of approximately HK$26.5 million and three entrusted loans granted in the PRC with outstanding principal amount of approximately RMB54.2 million (equivalent to approximately HK$61.8 million) as at 30 September 2018. The Group recognized an aggregate interest income of approximately HK$4.3 million and a profit of approximately HK$2.2 million for the six months ended 30 September 2018 as compared to approximately HK$6.3 million and HK$4.6 million respectively for the last corresponding period. The Group adopted a prudent risk management policy, with the money lending business continuously carrying out regular review of credit risk over the existing borrowers. While the Group will proactively explore customers with good quality to expand its business scale, it will continue to adopt a prudent credit risk management strategy to ensure a healthy development in its money lending business.

Finance Leasing Business

The Group is engaged in the finance leasing business in the PRC. It mainly offers machinery/equipment-based finance leases, the term of which generally ranges from one year to five years and the size of which generally ranges from RMB10 million to RMB50 million. The Group provides direct leasing and sale-leaseback services to customers which include companies that are principally engaged in cold storage, education, property leasing, property development and manufacture of environmentally friendly materials.

As at the Latest Practicable Date, no shop has been opened and the Group has ten employees for the finance leasing business. The Group solicits its customers principally through referrals from former and existing customers, visits to potential customers by the sales staff, referrals from the finance leasing industry and the business connections of the sales staff. Furthermore, the Group's marketing team is managed by the general manager who has extensive experience and business relationship in banking and financing industry, thereby enabling the Group's finance leasing business to expand its customer base and the business.

The finance leasing business has attributed a turnover of approximately HK$12.6 million with a profit of approximately HK$7.8 million to the Group during the period ended 30 September 2018 as compared to approximately HK$7.7 million and HK$2.7 million respectively for the last corresponding period.

The finance leasing business continue to provide the Group with stable revenue under the controllable risk. Looking ahead, the Board believes that the finance leasing market in the PRC will still have a great business potential. It is expected that the Group's finance leasing business will record an accelerating growth in the coming years.

Apart from development of the finance lease business by expansion of its customers base, by penetrating into different industries with focus on new energy and new materials, education and cold storage and cold chain sectors which have better cash flows and less cyclical effects, the Group has also provided customers with capital financing by way of financial lease and commercial factoring while established a corporate consultancy service company to provide customers with the economic and financial information consultancy services in a bid to extend the profit growth.

Securities Investments

The Group has further invested surplus funds in securities listed in Hong Kong during the six months ended 30 September 2018. The fair value of the Group's securities investment amounted to approximately HK$77.3 million as at 30 September 2018. The Group recorded an unrealised gain on changes in fair value of held for trading investments of approximately HK$8.9 million during the six months ended 30 September 2018 as compared to a loss of approximately HK$15.4 million for the last corresponding period. The Group disposed certain of the held for trading investments with a realised gain of approximately HK$6 million for the six months ended 30 September 2018. The management will continue to adopt prudent approach in investment and monitor the stock markets closely and keep looking for opportunities to realise gains from its investment portfolio.

Looking forward, the Group will actively identify and explore other investment and business opportunities to broaden its assets and revenue base. The Group will cautiously search for investment opportunities so as to produce a steady growth in the Group's long-term performance.

The following is the text of a report set out on pages II-1 to II-68, received from the Target Company's reporting accountants, Mazars CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

M MAZARS

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION OF CHAOSHANG FINANCIAL HOLDING LIMITED

The Board of Directors
Noble Century Investment Holdings Limited

INTRODUCTION

We report on the historical financial information of ChaoShang Financial Holding Limited (the "Target Company") and its subsidiaries, namely ChaoShang Securities Limited ("ChaoShang Securities"), CHAOSHANG ASSET MANAGEMENT LIMITED ("ChaoShang Asset Management"), and Chaoshang Enterprise Consulting Service Co., Limited ("Chaoshang Enterprise"), (hereinafter collectively referred to as the "Target Group") set out on pages II-4 to II-68, which comprises the combined statements of financial position of the Target Group as at 31 December 2016, 2017 and 2018, the statements of financial position of the Target Company as at 31 December 2016, 2017 and 2018, the combined statements of comprehensive income, the combined statements of changes in equity and the combined statements of cash flows for each of the years ended 31 December 2016, 2017 and 2018 (the "Relevant Periods") and a summary of significant accounting policies and other explanatory information (together the "Historical Financial Information"). The Historical Financial Information set out on pages II-4 to II-68 forms an integral part of this report, which has been prepared for inclusion in the circular of Noble Century Investment Holdings Limited (the "Company") dated 8 May 2019 (the "Circular") in connection with the proposed acquisition of the entire equity interest in the Target Company by the Company (the "Acquisition").

SOLE DIRECTOR'S RESPONSIBILITY FOR THE HISTORICAL FINANCIAL INFORMATION

The sole director of the Target Company is responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information, and for such internal control as the sole director of the Target Company determines is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

REPORTING ACCOUNTANTS' RESPONSIBILITY

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "*Accountants' Report on Historical Financial Information in Investment Circulars*" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depended on our judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, we considered internal control relevant to the Target Company's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Target Company's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the director of the Target Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Target Group's financial position as at 31 December 2016, 2017 and 2018, of the Target Company's financial position as at 31 December 2016, 2017 and 2018 and of the Target Group's financial performance and cash flows for the Relevant Periods in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information.

REPORT ON OTHER MATTERS UNDER THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED AND THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page II-4 have been made.

Dividends

We refer to Note 12 to the Historical Financial Information which states that no dividends have been paid by the Target Company in respect of the Relevant Periods.

Preparation or audit of financial statements

The financial statements of the Target Company were audited by Ken T. W. Ng CPA Limited for the period from 7 August 2015 (date of incorporation) to 31 December 2016 and Mazars CPA Limited for the year ended 31 December 2017. No statutory audited financial statements have been prepared by the Target Company for the year ended 31 December 2018 as they are not yet due for issuance.

Note 1 to the Historical Financial Information contains information about whether the financial statements of the members of the Target Group for the Relevant Periods have been audited and, if applicable, the name of the auditors.

No audited financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards and/or other applicable financial reporting standards for the Target Company or any of its subsidiaries in respect of any period subsequent to 31 December 2018.

Mazars CPA Limited
Certified Public Accountants

Hong Kong, 8 May 2019

HISTORICAL FINANCIAL INFORMATION OF THE TARGET GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The combined financial statements of the Target Group for the Relevant Periods, on which the Historical Financial Information is based, were prepared by the sole director of the Target Company in accordance with the accounting policies that conform with Hong Kong Financial Reporting Standards issued by the HKICPA and were audited by Mazars CPA Limited, *Certified Public Accountants, Hong Kong*, in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

The Historical Financial Information is presented in Hong Kong Dollars ("HK$") and all values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

COMBINED STATEMENTS OF COMPREHENSIVE INCOME

		Year ended 31 December		
		2016	**2017**	**2018**
	Note	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	*5*	2,511	51,999	58,831
Other income	*6*	1	77	672
Net impairment loss on accounts receivables	*17*	–	–	(766)
Administrative expenses		(6,450)	(10,671)	(13,753)
Commission expenses		(137)	(4,600)	(6,186)
Other operating expenses		(3,094)	(10,929)	(12,057)
Finance costs	*7*	(7)	(76)	–
(Loss) Profit before tax	*7*	(7,176)	25,800	26,741
Income tax expenses	*10*	(29)	(4,415)	(4,688)
(Loss) Profit and total comprehensive (loss) income for the year		(7,205)	21,385	22,053

COMBINED STATEMENTS OF FINANCIAL POSITION

		At 31 December		
		2016	2017	2018
	Note	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets				
Intangible asset	*13*	500	500	500
Property, plant and equipment	*14*	2,003	1,188	235
Other non-current assets	*15*	3,603	3,673	483
		6,106	5,361	1,218
Current assets				
Financial assets at fair value through profit or loss	*16*	–	100	–
Accounts receivables	*17*	8,002	63,360	137,249
Deposits, prepayments and other receivables	*18*	203	1,121	5,128
Amount due from Non-core Subsidiaries	*19*	11	311	460
Amount due from a director/shareholder	*19*	1	–	5,422
Client trust bank accounts	*20*	40,883	118,427	34,680
Bank balances and cash		17,628	20,992	14,022
		66,728	204,311	196,961
Current liabilities				
Accounts payables	*21*	42,490	132,582	48,187
Accruals and other payables	*22*	1,425	8,399	2,070
Obligation under finance lease	*23*	114	–	–
Income tax payable		–	4,443	9,131
		44,029	145,424	59,388
Net current assets		22,699	58,887	137,573
Total assets less current liabilities		28,805	64,248	138,791

		At 31 December		
		2016	2017	2018
	Note	*HK$'000*	*HK$'000*	*HK$'000*
Non-current liabilities				
Amount due to shareholders	*24*	35,796	50,277	–
Obligation under finance lease	*23*	394	–	–
Deferred tax liabilities	*25*	29	–	–
		36,219	50,277	–
NET (LIABILITIES) ASSETS		(7,414)	13,971	138,791
Capital and reserves				
Share capital	*26*	–	–	–
Reserves	*27*	(7,414)	13,971	138,791
TOTAL (DEFICITS) EQUITY		(7,414)	13,971	138,791

STATEMENTS OF FINANCIAL POSITION OF THE TARGET COMPANY

		At 31 December		
		2016	2017	2018
	Note	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets				
Property, plant and equipment	*14*	1,452	807	171
Interest in subsidiaries	*35*	59,420	69,780	122,780
Other non-current assets	*15*	3,398	3,398	–
		64,270	73,985	122,951
Current assets				
Deposits, prepayments and other receivables	*18*	16	16	3,414
Amount due from Non-core Subsidiaries	*19*	11	11	11
Bank balances and cash		377	55	7
		404	82	3,432
Current liabilities				
Amount due to subsidiaries	*19*	33,413	18,403	18,326
Accruals and other payables	*22*	523	407	305
		33,936	18,810	18,631
Net current liabilities		(33,532)	(18,728)	(15,199)
Total assets less current liabilities		30,738	55,257	107,752
Non-current liabilities				
Amount due to shareholders	*24*	35,796	50,277	–
		35,796	50,277	–
NET (LIABILITIES) ASSETS		(5,058)	4,980	107,752
Capital and reserves				
Share capital	*26*	–	–	–
Reserves	*27*	(5,058)	4,980	107,752
TOTAL (DEFICITS) EQUITY		(5,058)	4,980	107,752

COMBINED STATEMENTS OF CHANGES IN EQUITY

		Reserve		
	Share capital	Capital reserve	Accumulated (losses) profits	Total
	HK$'000	*HK$'000* *(Note 27(a))*	*HK$'000*	*HK$'000*
At 1 January 2016	–	–	(209)	(209)
Loss and total comprehensive loss for the year	–	–	(7,205)	(7,205)
At 31 December 2016	–	–	(7,414)	(7,414)
At 1 January 2017	–	–	(7,414)	(7,414)
Profit and total comprehensive income for the year	–	–	21,385	21,385
At 31 December 2017	–	–	13,971	13,971
At 1 January 2018	–	–	13,971	13,971
Profit and total comprehensive income for the year	–	–	22,053	22,053
Transaction with owners				
Additional equity contribution from equity owners	–	102,767	–	102,767
At 31 December 2018	**–**	**102,767**	**36,024**	**138,791**

COMBINED STATEMENTS OF CASH FLOWS

		Year ended 31 December		
		2016	**2017**	**2018**
	Note	*HK$'000*	*HK$'000*	*HK$'000*
OPERATING ACTIVITIES				
Cash used in operations	*28*	(14,670)	(10,071)	(59,479)
Interest paid		(7)	(76)	–
Interest received		–	1	20
Net cash used in operating activities		(14,677)	(10,146)	(59,459)
INVESTING ACTIVITIES				
Purchase of property, plant and equipment		(2,711)	(302)	(95)
Payment of acquisition of intangible asset		(500)	–	–
Proceeds on disposal of financial assets at fair value through profit or loss		–	–	94
Purchase of financial assets at fair value through profit or loss		–	(161)	–
Net cash used in investing activities		(3,211)	(463)	(1)
FINANCING ACTIVITIES				
Advances from shareholders	*30(b)*	35,587	14,481	52,490
Repayment of obligation under finance lease	*30(b)*	(72)	(508)	–
Net cash from financing activities		35,515	13,973	52,490
Net increase (decrease) in cash and cash equivalents		17,627	3,364	(6,970)
Cash and cash equivalents at the beginning of the year		1	17,628	20,992
Cash and cash equivalents at the end of the year, represented by bank balances and cash		17,628	20,992	14,022

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. General information

ChaoShang Financial Holding Limited (the "Target Company") is a limited liability company incorporated in the British Virgin Islands on 7 August 2015. The Target Company's registered office is located at Sertus Chambers, P.O. Box 905, Quastisky Building, Road Town, Tortola, British Virgin Islands.

The principal activities of the Target Company and its subsidiaries, namely ChaoShang Securities Limited ("ChaoShang Securities"), CHAOSHANG ASSET MANAGEMENT LIMITED ("ChaoShang Asset Management"), and Chaoshang Enterprise Consulting Service Co., Limited ("Chaoshang Enterprise"), (together the "Target Group") are provision of securities brokerage, underwriting, placing, margin financing services, asset management services and investment advisory services. The Target Company acts as an investment holding company.

At the date of this report, the shareholders of the Target Company are Mr. Au Kwong Hoi who owns 46.15% shareholdings, Mr. Guo Keqin who owns 28.85% shareholdings and Harmony Happy Limited, a company incorporated in Samoa, which owns 25% of the shareholdings (collectively referred to as the "Ultimate Controlling Party").

The particulars of the Target Company's subsidiaries combined in the Historical Financial Information, which are private limited liability companies, of which the Target Company has direct or indirect interests, are as follows:

Name of subsidiary	Place of incorporation/ operation	Particulars of issued share capital	Effective ownership interest held by the Target Company		Principal activities
			Directly	*Indirectly*	
ChaoShang Securities	Hong Kong	HK$102,780,000	100%	–	Provision of securities brokerage, underwriting, placing, margin financing services
ChaoShang Asset Management	Hong Kong	HK$10,000,000	100%	–	Provision of asset management services and investment advisory services
Chaoshang Enterprise	Hong Kong	HK$10,000,000	100%	–	Provision of management services

The financial statements, as prepared in accordance with respective local financial reporting standards, of the Target Company's subsidiaries that fall into the Relevant Periods have been audited as follows:

Subsidiary	Financial period	Auditors
ChaoShang Securities	Period from 15 September 2015 (date of incorporation) to 31 December 2016	Ken T. W. Ng CPA Limited
	Years ended 31 December 2017 and 2018	Mazars CPA Limited
ChaoShang Asset Management	Period from 18 January 2016 (date of incorporation) to 31 December 2016	Ken T. W. Ng CPA Limited
	Years ended 31 December 2017 and 2018	Mazars CPA Limited
Chaoshang Enterprise	Period ended from 18 January 2016 (date of incorporation) to 31 December 2016	Ken T. W. Ng CPA Limited
	Year ended 31 December 2017	Mazars CPA Limited

No statutory audited financial statements have been prepared by Chaoshang Enterprise for the year ended 31 December 2018 as they are not yet due for issuance as of the date of this report.

2. Basis of preparation and presentation of the historical financial information

References are made to the announcements of the Noble Century Investment Holdings Limited (the "Company") dated 7 January 2019 and 20 March 2019 (the "Announcements") in relation to the proposed acquisition of the entire equity interest in the Target Company by the Company (the "Acquisition").

As disclosed in the Announcements, (i) the Target Group are ultimately controlled by the Ultimate Controlling Party prior to the completion of the Acquisition ("Completion"); and (ii) Completion is subject to, among other things, the entering into of the disposal agreement(s) in relation to the disposal of the entire issued share capital of each of CHAOSHANG ENTERTAINMENT MEDIA GROUP LIMITED ("ChaoShang Entertainment"), Chaoshang Group Co., Limited ("Chaoshang Group Co"), ChaoShang International Limited ("ChaoShang International"), Chaoshang Bullion Investment Limited ("Chaoshang Bullion"), CHAOSHANG ONE BELT ONE ROAD INDUSTRY DEVELOPMENT COMPANY LIMITED ("ChaoShang OBOR"), ChaoShang Wealth Management Limited ("ChaoShang Wealth Management"), ChaoShang Credit Limited ("ChaoShang Credit") and ChaoShang Asset Management (Cayman) Limited ("ChaoShang Asset Management (Cayman)") by the Target Company and the completion of such disposal agreement(s) (the "Reorganisation") having been fulfilled or waived. The Historical Financial Information as included in this report is prepared using the carrying values of the entities involved in the Reorganisation for all periods presented on a basis in accordance with the principles of merger accounting as set out in Hong Kong Accounting Guideline 5 *"Merger accounting for common control combinations"* ("AG 5") issued by the HKICPA, as further explained in the paragraph headed "Merger accounting for common control combinations" in Note 3 below.

The Historical Financial Information presents the combined financial performance, combined changes in equity, combined cash flows and combined financial positions of the entities now comprising the Target Group as if the current group structure had always been in existence throughout the Relevant Periods, taking into account the respective dates of incorporation or acquisition, where applicable.

The Historical Financial Information aims to include assets, liabilities, income and expenses that are related to and specifically identified for the provision of securities broking services and asset management services. During the Relevant Periods, the Target Company also owned 100% equity interests in the following entities, ChaoShang Entertainment, Chaoshang Group Co, ChaoShang International, Chaoshang Bullion, ChaoShang OBOR, ChaoShang Wealth Management (all were inactive), ChaoShang Asset Management (Cayman) (which was engaged in provision of asset management and advisory services) and ChaoShang Credit (which was engaged in money lending business) (hereinafter collectively referred to the "Non-core Subsidiaries"). The Non-core Subsidiaries are not directly related to, nor form part of, the Target Group.

For the purpose of this report, the Target Group had segregated the relevant financial information of the securities broking services and asset management services business, which are carried out by ChaoShang Securities, ChaoShang Asset Management and Chaoshang Enterprise, from the historical financial information of the Target Company, ChaoShang Securities, ChaoShang Asset Management and Chaoshang Enterprise, for the preparation of the Historical Financial Information. In particular, the interests in and balances due from/to Non-core Subsidiaries during each reporting period were reflected as amounts due from/to Non-core Subsidiaries in the combined statements of financial position. The Non-core Subsidiaries would be retained by the Ultimate Controlling Party and would not form part of the Target Group following the completion of the Reorganisation. The Historical Financial Information excludes the transactions and balances of the Non-core Subsidiaries which, in the opinion of the sole director of the Target Company, are clearly delineated from the securities broking services and asset management services business and whose transactions and balances are clearly identifiable.

3. Summary of significant accounting policies

Statement of compliance

The Historical Financial Information has been prepared in accordance with the basis set out which conforms with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong.

The Historical Financial Information also complies with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The HKICPA has issued a number of new/revised HKFRSs during the Relevant Periods. For the purpose of the Historical Financial Information, the Target Group has consistently adopted all these new/revised HKFRSs that are relevant to its operations and are effective during the Relevant Periods.

In particular, HKFRS 9, "Financial Instruments" and HKFRS 15, "Revenue from Contracts with Customers" are effective for annual periods beginning on or after 1 January 2018. The Target Group has applied HKFRS 9 and HKFRS 15 consistently throughout the Relevant Periods.

A summary of the principal accounting policies adopted by the Target Group in preparing the Historical Financial Information is set out below.

Basis of measurement

The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis, except for the financial assets at fair value through profit or loss which are measured at fair value as explained in the accounting policies set out below.

Basis of combinations

The Historical Financial Information comprises the financial statements of the Target Company and all of its subsidiaries (except for the Non-core Subsidiaries) for the Relevant Periods. The financial statements of the subsidiaries are prepared for the same reporting period as that of the Target Company using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full.

The results of subsidiaries are combined from the date on which the Target Company obtains control and continue to be combined until the date that such control ceases.

Merger accounting for common control combinations

The Historical Financial Information incorporates the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the Ultimate Controlling Party.

The net assets of the combining entities or businesses are combined using the existing carrying values from the Ultimate Controlling Party's perspective. No amount is recognised as consideration for goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the Ultimate Controlling Party's interest. The Historical Financial Information includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting, are recognised as an expense in the period in which they are incurred.

Subsidiaries

A subsidiary is an entity that is controlled by the Target Group. The Target Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Target Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

In the Target Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss. The carrying amount of the investment is reduced to its recoverable amount on an individual basis, if it is higher than the recoverable amount. The results of subsidiaries are accounted for by the Target Company on the basis of dividends received and receivable.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment over their estimated useful lives as set out below from the date on which they are available for use and after taking into account their estimated residual values, using the straight-line method. Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis and depreciated separately:

Leasehold improvements	3 years
Office equipment	3 years
Motor vehicles	3 years
Furniture and fixtures	3-5years
Computer equipment	1 year

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

Intangible assets

The Target Group holds one exchange trading right of Hong Kong Exchanges and Clearing Limited which is stated at cost with indefinite useful lives. The carrying value of this exchange trading right is reviewed for impairment annually or more frequently when there is indication that the carrying value may not be recoverable.

Financial instruments

Financial assets

Recognition and derecognition

Financial assets are recognised when and only when the Target Group becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Target Group's contractual rights to future cash flows from the financial asset expire or (ii) the Target Group transfers the financial asset and either (a) it transfers substantially all the risks and rewards of ownership of the financial asset, or (b) it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

Classification and measurement

Financial assets

Financial assets (except for trade receivables without a significant financing component) are initially recognised at their fair value plus, in the case of financial assets not carried at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial assets. Such trade receivables are initially measured at their transaction price.

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) debt investment measured at fair value through other comprehensive income ("Mandatory FVOCI"); (iii) equity investment measured at fair value through other comprehensive income ("Designated FVOCI"); or (iv) measured at FVPL.

The classification of financial assets at initial recognition depends on the Target Group's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Target Group changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first annual reporting period following the change in the business model.

Derivatives embedded in a hybrid contract in which a host is an asset within the scope of HKFRS 9 are not separated from the host. Instead, the entire hybrid contract is assessed for classification.

1) Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

(i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate method and are subject to impairment. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

The Target Group's financial assets at amortised cost include accounts and other receivables, amount due from Non-core Subsidiaries and a director/shareholder, client trust bank accounts, deposits and bank balances and cash.

2) Financial assets at FVPL

These investments include financial assets that are not measured at amortised cost or FVOCI, including held for trading, financial assets designated upon initial recognition as at FVPL, and financial assets resulting from a contingent consideration arrangement in a business combination to which HKFRS 3 applies and financial assets that are otherwise required to be measured at FVPL. They are carried at fair value, with any resultant gain and loss recognised in profit or loss, which includes any dividend or interest earned on the financial assets.

A financial asset is classified as held for trading if it is:

(i) acquired principally for the purpose of selling it in the near term;

(ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking on initial recognition; or

(iii) a derivative that is not a financial guarantee contract or not a designated and effective hedging instrument.

Financial assets are designated at initial recognition as at FVPL only if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different bases.

The Target Group's financial assets mandatorily measured at FVPL include equity securities listed in Hong Kong.

Financial liabilities

Recognition and derecognition

Financial liabilities are recognised when and only when the Target Group becomes a party to the contractual provisions of the instruments.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Classification and measurement

Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVPL, transaction costs that are direct attributable to the issue of the financial liabilities.

The Target Group's financial liabilities include accounts and other payables, accruals, amount due to shareholders and obligation under finance lease. All financial liabilities, except for financial liabilities at FVPL, are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Impairment of financial assets and other items under HKFRS 9

The Target Group recognises loss allowances for expected credit losses ("ECL") on financial assets that are measured at amortised cost to which the impairment requirements apply in accordance with HKFRS 9. Except for the specific treatments as detailed below, at each reporting date, the Target Group measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Target Group measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Where ECL is measured on a collective basis, the financial instruments excluding accounts receivables of margin clients are grouped based on the past due information. Where ECL is measured on collective basis for accounts receivables of margin clients, the financial instruments are grouped based on the magnitude of shortfall between accounts receivables and the fair value of marketable securities pledged to the Target Group at the end of the reporting period.

Loss allowance is remeasured at each reporting date to reflect changes in the financial instrument's credit risk and loss since initial recognition. The resulting changes in the loss allowance are recognised as an impairment gain or loss in profit or loss with a corresponding adjustment to the carrying amount of the financial instrument, except in the case of Mandatory FVOCI, the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

Definition of default

The Target Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the Target Group may not receive the outstanding contractual amounts in full if the financial asset that meets any of the following criteria.

(i) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Target Group, in full (without taking into account any collaterals held by the Target Group); or

(ii) there is a breach of financial covenants by the counterparty.

Irrespective of the above analysis, the Target Group considers that default has occurred when a financial asset is more than 90 days past due unless the Target Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Assessment of significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Target Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Target Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Irrespective of the outcome of the above assessment, the Target Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Target Group has reasonable and supportable information that demonstrates otherwise.

Low credit risk

A financial instrument is determined to have low credit risk if:

(i) it has a low risk of default;

(ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and

(iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Simplified approach of ECL

For trade receivables without a significant financing components or otherwise for which the Target Group applies the practical expedient not to account for the significant financing components, the Target Group applies a simplified approach in calculating ECL. The Target Group recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Credit-impaired financial asset

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower.

(b) a breach of contract, such as a default or past due event.

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider.

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Write-off

The Target Group writes off a financial asset when the Target Group has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Target Group expects no significant recovery from the amount written off based on historical experience of recoveries of similar assets. However, financial assets that are written off could still be subject to enforcement activities under the Target Group's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

Cash equivalents

For the purpose of the combined statements of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

Revenue recognition

Revenue from contracts with customers within HKFRS 15

Nature of services

The nature of the services provided by the Target Group is as follows:

Business A: provision of securities brokerage services, underwriting, placing and margin financing services.

Business B: provision of asset management services and investment advisory services.

Identification of performance obligations

At contract inception, the Target Group assesses the services promised in a contract with a customer and identifies as a performance obligation each promise to transfer to the customer either:

(a) a service (or a bundle of services) that is distinct; or

(b) a series of distinct services that are substantially the same and that have the same pattern of transfer to the customer.

A service that is promised to a customer is distinct if both of the following criteria are met:

(a) the customer can benefit from the service either on its own or together with other resources that are readily available to the customer (i.e. the service is capable of being distinct); and

(b) the Target Group's promise to transfer the service to the customer is separately identifiable from other promises in the contract (i.e. the promise to transfer the service is distinct within the context of the contract).

Timing of revenue recognition

Revenue is recognised when (or as) the Target Group satisfies a performance obligation by transferring a promised service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Target Group transfers control of a service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided by the Target Group's performance as the Target Group performs;

(b) the Target Group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or

(c) the Target Group's performance does not create an asset with an alternative use to the Target Group and the Target Group has an enforceable right to payment for performance completed to date.

If a performance obligation is not satisfied over time, the Target Group satisfies the performance obligation at a point in time when the customer obtains control of the promised asset. In determining when the transfer of control occurs, the Target Group considers the concept of control and such indicators as legal title, physical possession, right to payment, significant risks and rewards of ownership of the asset, and customer acceptance.

Brokerage commission income is recognised on the transaction dates when the contracts are executed.

Interest income from financial assets is recognised using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the assets while it is applied to the amortised cost (i.e. the gross carrying amount net of loss allowance) in case of credit-impaired financial assets.

Underwriting and placing commission income are recognised in accordance with the terms of the underlying agreement or deal mandate when relevant significant act has been completed, which are recognised at a point in time.

Handling fee income is recognised when the relevant transactions have been arranged or the relevant services have been rendered, which are recognised at a point in time.

Management fee income is calculated based on a percentage of each investor's initial subscription amount on fund at the subscription date, which are then recognised over time when the services are rendered.

Consultancy service income is recognised over time when the services are rendered.

For revenue recognised over time under HKFRS 15, provided the outcome of the performance obligation can be reasonably measured, the Target Group applies the output method (i.e. based on the direct measurements of the value to the customer of the services transferred to date relative to the remaining services promised under the contract) to measure the progress towards complete satisfaction of the performance obligation because the method provides a faithful depiction of the Target Group's performance and reliable information is available to the Target Group to apply the method. Otherwise, revenue is recognised only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

The following output methods are applied:

- Management services: Time elapsed
- Consultancy services: Time elapsed

Variable consideration

If the consideration promised in a contract includes a variable amount, the Target Group estimates the amount of consideration to which it will be entitled in exchange for transferring the promised services to a customer. The variable consideration is estimated by using either the expected-value or the most-likely-amount method whichever is better to predict the entitled amount. The estimated variable consideration is then included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised of the contract will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Foreign currency translation

Items included in the financial statements of each of the Target Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Target Company's functional currency is Hong Kong Dollars ("HK$") and majority of its subsidiaries have HK$ as their functional currency. The Historical Financial Information is presented in the currency of HK$, which is the Target Company's presentation currency, and rounded to the nearest thousands unless otherwise stated.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Impairment of non-financial assets, other than goodwill

At the end of each reporting period, the Target Group reviews internal and external sources of information to assess whether there is any indication that property, plant and equipment, intangible assets and the Target Company's investments in subsidiaries may be impaired or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs of disposal and value in use. In addition, the Target Group tests its intangible asset that has indefinite useful lives for impairment by estimating their recoverable amount on an annual basis and whenever there is an indication that those assets may be impaired. Where it is not possible to estimate the recoverable amount of an individual asset, the Target Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. cash-generating unit).

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense in profit or loss immediately.

A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior periods. Reversal of impairment loss is recognised as an income in profit or loss immediately.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Target Group at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as finance lease obligation. Finance charges, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

Lease incentives are recognised in profit or loss as an integral part of the net consideration agreed for the use of the leased asset.

Employee benefits

Short term employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the period in which the associated services are rendered by employees.

Defined contribution plans

The obligations for contributions to defined contribution retirement scheme in Hong Kong are recognised as an expense in profit or loss as incurred. The assets of the scheme are held separately from those of the Target Group's entities established in Hong Kong in an independently administered fund.

Taxation

The charge for current income tax is based on the results for the period as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts in the Historical Financial Information. However, any deferred tax arising from initial recognition of goodwill; or other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

The deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Related parties

A related party is a person or entity that is related to the Target Group.

(a) A person or a close member of that person's family is related to the Target Group if that person:

   (i) has control or joint control over the Target Group;

   (ii) has significant influence over the Target Group; or

   (iii) is a member of the key management personnel of the Target Group or of the holding company of the Target Group.

(b) An entity is related to the Target Group if any of the following conditions applies:

   (i) The entity and the Target Group are members of the same group (which means that each holding company, subsidiary and fellow subsidiary is related to the others).

   (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

   (iii) Both entities are joint ventures of the same third party.

   (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

   (v) The entity is a post-employment benefit plan for the benefit of employees of either the Target Group or an entity related to the Target Group. If the Target Group is itself such a plan, the sponsoring employers are also related to the Target Group.

   (vi) The entity is controlled or jointly controlled by a person identified in (a).

   (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a holding company of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Target Group or to the holding company of the Target Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

Segment reporting

Operating segments, and the amounts of each segment item reported in the Historical Financial Information, are identified from the financial information provided regularly to the Target Group's most senior executive management for the purpose of allocating resources to, and assessing the performance of, the Target Group's various lines of business and geographical locations.

Operating segments that meet the quantitative thresholds are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Other operating segments may be aggregated if they share a majority of these criteria.

Critical accounting estimates and judgements

Estimates and assumptions concerning the future and judgements are made by the sole director in the preparation of the Historical Financial Information. They affect the application of the Target Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

Key sources of estimation uncertainty

(i) Loss allowance for ECL

The Target Group's sole director estimates the loss allowance for trade receivables by using various inputs and assumptions including risk of a default and expected loss rate. The estimation involves high degree of uncertainty which is based on the Target Group's historical information, existing market conditions as well as forward-looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade receivables. Details of the key assumption and inputs used in estimating ECL are set out in note 31 to the Historical Financial Information.

(ii) Revenue from contracts with customers within HKFRS 15

Estimation and constraint of variable consideration

In estimating the variable consideration, the Target Group applies either the expected-value or the most-likely-amount method whichever better predicts the entitled amount.

Brokerage commission income and handling fee income are variable fee income which is estimated by using the expected-value method, given the large number of transactions that have similar characteristics. Typically, the estimated consideration is constrained.

Underwriting and placing commission income are determined in accordance with the contracted rates, conditional on the successful listing of entities in The Stock Exchange of Hong Kong Limited ("SEHK"). The Target Group estimates the fee by using the most likely amount approach on a contract by contract basis. Management makes a detailed assessment of the amount of revenue expected to be received and the probability of success of each case. Typically, the estimated consideration is constrained.

Before including any estimated amount of variable consideration in the transaction price, the Target Group considers whether it is constrained based on the historical experience and the current conditions.

Future changes in HKFRSs

At the date of this report, the HKICPA has issued the following new/revised HKFRSs that are not yet effective for the Relevant Periods, which the Target Group has not early adopted:

Annual Improvements to HKFRSs	2015-2017 Cycle[1]
HKFRS 16	Leases[1]
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments[1]
Amendments to HKAS 19	Employee benefits[1]
Amendments to HKAS 28	Investments in Associates and Joint Ventures[1]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to HKASs 1 and 8	Definition of Material[2]
Amendments to HKFRS 3	Definition of a Business[3]
HKFRS 17	Insurance Contracts[4]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]

1 *Effective for annual periods beginning on or after 1 January 2019*

2 *Effective for annual periods beginning on or after 1 January 2020*

3 *Effective for acquisitions that occur on or after the beginning of the first annual period beginning on or after 1 January 2020*

4 *Effective for annual periods beginning on or after 1 January 2021*

5 *The effective date to be determined*

Except for HKFRS 16 as set out below, the sole director of the Target Group does not anticipate that the adoption of the new/revised HKFRSs in future periods will have any material impact on the Target Group's financial information.

HKFRS 16 significantly changes the lessee accounting by replacing the dual model under HKAS 17 with a single model which requires a lessee to recognise assets and liabilities for the rights and obligations created by leases unless the exemptions apply. Besides, among other changes, it requires enhanced disclosures to be provided by lessees and lessors. Based on the preliminary assessment, the sole director of the Target Group is of the opinion that the lease of a property by the Target Group which are currently classified as operating leases under HKAS 17 will trigger the recognition of right-of-use assets and lease liabilities in accordance with HKFRS 16. In subsequent measurement, depreciation (and, if applicable, impairment loss) and interest will be recognised on the right-of-use assets and the lease liabilities respectively, of which the amount in total for each reporting period is not expected to be significantly different from the periodic operating lease expenses recognised under HKAS 17. Apart from the effects as outlined above, it is not expected that HKFRS 16 will have a material impact on the future financial position, financial performance and cash flows of the Target Group upon adoption.

As set out in Note 34 to the Historical Financial Information, as at 31 December 2018, the total future minimum lease payments under non-cancellable operating leases of the Target Group in respect of certain premise amounted to approximately HK$2,974,000. The sole director of the Target Group does not expect the adoption of HKFRS 16 as compared with the current accounting policy would result in significant impact on the Target Group's financial performance but it is expected that the Target Group has to separately recognise the interest expenses on the lease liabilities and the depreciation expense on the right-of-use assets, and that certain portion of the future minimum lease payments under the Target Group's operating leases will be required to be recognised in the Target Group's combined statements of financial position as right-of-use assets and lease liabilities. The Target Group will also be required to remeasure the lease liabilities upon the occurrence of certain events such as a change in the lease term and recognise the amount of the remeasurement of the lease liabilities as an adjustment to the right-of-use assets. In addition, payments for the principal portion of the lease liabilities will be presented within financing activities in the Target Group's combined statements of cash flows.

4. Segment information

Information reported to the sole director of the Target Company, being identified as the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of services provided.

Specifically, the Target Group's reportable and operating segments are as follows:

(a) the securities broking service segment comprises the provision of broking services in securities traded in Hong Kong and United States markets, margin financing services and placing and underwriting services to listed clients;

(b) the asset management services segment comprises the provision of advisory on securities and asset management services.

The sole director monitors the results of the Target Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Target Group's profit before tax, except that unallocated other income and gains/losses as well as corporate expenses are excluded from such measurement.

Segment information about these divisions is presented below.

Segment revenue and results

The following is an analysis of the Target Group's revenue and results by reportable and operating segments.

Year ended 31 December 2016

	Securities broking services	Assets management services	Total
	HK$'000	*HK$'000*	*HK$'000*
Segment revenue	2,511	–	2,511
Segment result	1,880	(4)	1,876
Unallocated income and expenses:			
Unallocated finance costs			(7)
Unallocated expenses			(9,045)
Loss before tax			(7,176)

Year ended 31 December 2017

	Securities broking services	Assets management services	Total
	HK$'000	*HK$'000*	*HK$'000*
Segment revenue	51,999	–	51,999
Segment result	40,891	(808)	40,083
Unallocated income and expenses:			
Unallocated other income			39
Unallocated finance costs			(72)
Unallocated expenses			(14,250)
Profit before tax			25,800

Year ended 31 December 2018

	Securities broking services HK$'000	Assets management services HK$'000	Total HK$'000
Segment revenue	58,764	67	58,831
Segment result	47,434	(277)	47,157
Unallocated income and expenses:			
Unallocated other income			652
Unallocated expenses			(21,068)
Profit before tax			26,741

Segment assets and liabilities

The following is an analysis of the Target Group's assets and liabilities by reportable and operating segments.

At 31 December 2016

	Securities broking services HK$'000	Assets management services HK$'000	Unallocated HK$'000	Total HK$'000
Segment assets	67,026	–	5,808	72,834
Segment liabilities	(42,722)	(4)	(37,522)	(80,248)

At 31 December 2017

	Securities broking services HK$'000	Assets management services HK$'000	Unallocated HK$'000	Total HK$'000
Segment assets	197,878	6,501	5,293	209,672
Segment liabilities	(143,855)	(55)	(51,791)	(195,701)

At 31 December 2018

	Securities broking services HK$'000	Assets management services HK$'000	Unallocated HK$'000	Total HK$'000
Segment assets	186,761	6,289	5,129	198,179
Segment liabilities	(57,660)	(61)	(1,667)	(59,388)

Other segment information

Year ended 31 December 2016

	Securities broking services HK$'000	Assets management services HK$'000	Unallocated HK$'000	Total HK$'000
Depreciation of property, plant and equipment	–	–	1,288	1,288
Entertainment expenses	13	–	1,038	1,051

Year ended 31 December 2017

	Securities broking services HK$'000	Assets management services HK$'000	Unallocated HK$'000	Total HK$'000
Depreciation of property, plant and equipment	–	–	1,117	1,117
Entertainment expenses	4,161	–	2,265	6,426

Year ended 31 December 2018

	Securities broking services	Assets management services	Unallocated	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Depreciation of property, plant and equipment	–	–	710	710
Entertainment expenses	1,047	–	3,180	4,227
Loss allowance	766	–	–	766
Loss on disposal of property, plant and equipment	–	–	338	338

Information about geographical areas

The Target Group's operations are located in Hong Kong. Accordingly, the Target Group's revenue from external customers and all non-current assets are located in Hong Kong.

Information about major customers

Revenue from customers contributing 10% or more of aggregate revenue of the Target Group during the Relevant Periods are as follows:

	Year ended 31 December		
	2016	2017	2018
	HK$'000	*HK$'000*	*HK$'000*
Customer A	918	–	–
Customer B	808	–	–

5. Revenue

Revenue represents commission and brokerage income, underwriting and placing commission income, handling fee income, interest income from margin financing and asset management fee as follows:

	Year ended 31 December		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Revenue from contracts with customers within HKFRS 15			
Management fee income from a Non-core Subsidiary	–	–	67
Brokerage commission from securities dealing	719	13,366	11,701
Underwriting and placing commission	1,725	32,798	29,411
Handling fee income	33	1,113	1,211
	2,477	47,277	42,390
Revenue from other sources			
Interest income from margin financing	34	4,722	16,441
	2,511	51,999	58,831

The revenue from contracts with customers within HKFRS 15 is disaggregated as follows:

Year ended 31 December 2016

	Management fee income from a Non-core Subsidiary	**Brokerage commission from securities dealing**	**Underwriting and placing commission**	**Handling fee income**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Timing of revenue recognition:					
– at a point in time	–	719	1,725	33	2,477

Year ended 31 December 2017

	Management fee income from a Non-core Subsidiary	Brokerage commission from securities dealing	Underwriting and placing commission	Handling fee income	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Timing of revenue recognition:					
– at a point in time	–	13,366	32,798	1,113	47,277

Year ended 31 December 2018

	Management fee income from a Non-core Subsidiary	Brokerage commission from securities dealing	Underwriting and placing commission	Handling fee income	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Timing of revenue recognition:					
– at a point in time	–	11,701	29,411	1,211	42,323
– over time	67	–	–	–	67
	67	11,701	29,411	1,211	42,390

6. Other income

	Year ended 31 December		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Bank and other interest income	–	1	20
Consultancy service income	–	–	500
Exchange gain, net	1	26	–
Sundry income	–	50	152
	1	77	672

Consultancy service income is recognised over time when the services are rendered.

7. (Loss) profit before tax

This is stated after charging (crediting):

	Year ended 31 December		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
(a) Finance costs			
Finance charges on obligation under finance lease	7	72	–
Interest expenses for financial liabilities at amortised cost	–	4	–
	7	76	–
(b) Staff costs, including director's remuneration			
Salaries, allowances and other benefits	1,859	4,400	5,712
Commission paid	–	1,937	2,274
Contributions to defined contribution plans	36	128	171
	1,895	6,465	8,157
(c) Other items			
Auditor's remuneration	77	233	140
Depreciation	1,288	1,117	710
Entertainment expenses	1,051	6,426	4,227
Exchange loss (gain) net	(1)	(26)	1
Fair value loss on financial asset at fair value through profit or loss	–	61	6
Increase in loss allowance	–	–	766
Loss on disposal of property, plant and equipment	–	–	338
Operating lease payments	2,791	4,261	5,985

8. Director's emoluments

A sole director of the Target Company received remuneration from the entities now comprising the Target Group during the Relevant Periods for their appointment as an employee of these entities. The aggregate amounts of remuneration received and receivable by the sole director of the Target Company during the Relevant Periods are set out below.

Year ended 31 December 2016

	Director's fees	Salaries, allowances and other benefits	Commission paid	Contributions to defined contribution plans	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive director					
Au Kwong Hoi	–	516	–	6	522

Year ended 31 December 2017

	Director's fees	Salaries, allowances and other benefits	Commission paid	Contributions to defined contribution plans	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive director					
Au Kwong Hoi	–	325	551	15	891

Year ended 31 December 2018

	Director's fees	Salaries, allowances and other benefits	Commission paid	Contributions to defined contribution plans	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive director					
Au Kwong Hoi	–	445	82	18	545

During the Relevant Periods, no remuneration was paid by the Target Group to the sole director as an inducement to join or upon joining the Target Group, or as a compensation for loss of office. There was no arrangement under which the director waived or agreed to waive any remuneration during the Relevant Periods.

9. Five highest paid individuals

An analysis of the five highest paid individuals during the Relevant Periods is as follows:

	Number of individuals		
	Year ended 31 December		
	2016	2017	2018
Director	1	–	1
Non-director	4	5	4
	5	5	5

Details of the remuneration of the above highest paid non-director individuals are as follows:

	Year ended 31 December		
	2016	2017	2018
	HK$'000	*HK$'000*	*HK$'000*
Salaries, allowances and other benefits	734	2,351	2,203
Contributions to defined contribution plans	24	66	72
Discretionary bonuses	–	–	340
	758	2,417	2,615

The number of these non-director individuals whose emoluments fell within the following emoluments band is as follows:

	Number of individuals		
	Year ended 31 December		
	2016	2017	2018
Nil to HK$1,000,000	4	5	4

During the Relevant Periods, no remuneration was paid by the Target Group to any of these highest paid non-director individuals as an inducement to join or upon joining the Target Group, or as a compensation for loss of office. There was no arrangement under which any of these highest paid non-director individuals waived or has agreed to waive any emoluments during the Relevant Periods.

10. Income tax expenses

Hong Kong Profits Tax has been provided at the rate of 16.5% on the Target Group's estimated assessable profits arising from Hong Kong for the years ended 31 December 2016, 2017 and 2018.

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2,000,000 of profits of qualifying corporations will be taxed at 8.25%, and profits above HK$2,000,000 will be taxed at 16.5%. The profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The two-tiered profits tax rates regime is applicable to one entity within the Target Group for the year ended 31 December 2018.

	Year ended 31 December		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Current tax			
Hong Kong Profits Tax			
Current year	–	4,444	4,804
Over provision in prior year	–	–	(116)
Deferred tax			
Origination and reversal of temporary difference	29	(29)	–
Income tax expenses for the year	29	4,415	4,688

Reconciliation of income tax expense

	Year ended 31 December		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
(Loss) Profit before tax	(7,176)	25,800	26,741
Income tax at applicable tax rate of 16.5%	(1,184)	4,257	4,412
Non-deductible expenses	19	283	126
Utilisation of previously unrecognised tax losses	–	(152)	(137)
Unrecognised tax losses	1,139	22	244
Unrecognised temporary differences	53	5	140
Overprovision in prior year	–	–	(116)
Tax concession on two-tier rate system	–	–	(165)
Others	2	–	184
Income tax expenses for the year	29	4,415	4,688

11. Earnings per share

No earnings per share information is presented as its inclusion, for the purpose of the Historical Financial Information, is not considered meaningful.

12. Dividends

No dividend has been paid or declared by the Target Company during the Relevant Periods.

13. Intangible asset

	As at 31 December		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Trading right for Exchange Participant in SEHK, at cost			
At beginning of the year	–	500	500
Additions	500	–	–
At the end of the reporting period	500	500	500

No impairment has been made for the trading right for Exchange Participant as the sole director considers that the recoverable amount is higher than the carrying amount.

14. Property, plant and equipment

Target Group

	Leasehold improvements *HK$'000*	Office equipment *HK$'000*	Motor vehicle *HK$'000*	Furniture and fixtures *HK$'000*	Computer equipment *HK$'000*	Total *HK$'000*
Reconciliation of carrying amount – Year ended 31 December 2016						
At 1 January 2016	–	–	–	–	–	–
Additions	1,606	119	580	214	772	3,291
Depreciation	(401)	(29)	(32)	(54)	(772)	(1,288)
At 31 December 2016	1,205	90	548	160	–	2,003
Reconciliation of carrying amount – year ended 31 December 2017						
At 1 January 2017	1,205	90	548	160	–	2,003
Additions	–	26	–	7	269	302
Depreciation	(535)	(47)	(193)	(73)	(269)	(1,117)
At 31 December 2017	670	69	355	94	–	1,188
Reconciliation of carrying amount – year ended 31 December 2018						
At 1 January 2018	670	69	355	94	–	1,188
Additions	42	52	–	1	–	95
Disposals	–	–	(338)	–	–	(338)
Depreciation	(568)	(53)	(17)	(72)	–	(710)
At 31 December 2018	144	68	–	23	–	235

	Leasehold improvements *HK$'000*	Office equipment *HK$'000*	Motor vehicle *HK$'000*	Furniture and fixtures *HK$'000*	Computer equipment *HK$'000*	Total *HK$'000*
At 31 December 2016						
Cost	1,606	119	580	214	772	3,291
Accumulated depreciation	(401)	(29)	(32)	(54)	(772)	(1,288)
	1,205	90	548	160	–	2,003
At 31 December 2017						
Cost	1,606	145	580	221	1,041	3,593
Accumulated depreciation	(936)	(76)	(225)	(127)	(1,041)	(2,405)
	670	69	355	94	–	1,188
At 31 December 2018						
Cost	1,648	197	–	222	1,041	3,108
Accumulated depreciation	(1,504)	(129)	–	(199)	(1,041)	(2,873)
	144	68	–	23	–	235

The motor vehicle was held under finance lease *(Note 23)*.

Target Company

	Leasehold improvements *HK$'000*	Office equipment *HK$'000*	Furniture and fixtures *HK$'000*	Computer equipment *HK$'000*	Total *HK$'000*
Reconciliation of carrying amount – Year ended 31 December 2016					
At 1 January 2016	–	–	–	–	–
Additions	1,606	116	214	772	2,708
Depreciation	(401)	(29)	(54)	(772)	(1,256)
At 31 December 2016	1,205	87	160	–	1,452
Reconciliation of carrying amount – year ended 31 December 2017					
At 1 January 2017	1,205	87	160	–	1,452
Additions	–	–	–	221	221
Depreciation	(535)	(39)	(71)	(221)	(866)
At 31 December 2017	670	48	89	–	807
Reconciliation of carrying amount – year ended 31 December 2018					
At 1 January 2018	670	48	89	–	807
Additions	42	–	–	–	42
Depreciation	(568)	(39)	(71)	–	(678)
At 31 December 2018	144	9	18	–	171

	Leasehold improvements *HK$'000*	Office equipment *HK$'000*	Furniture and fixtures *HK$'000*	Computer equipment *HK$'000*	Total *HK$'000*
At 31 December 2016					
Cost	1,606	116	214	772	2,708
Accumulated depreciation	(401)	(29)	(54)	(772)	(1,256)
	1,205	87	160	–	1,452
At 31 December 2017					
Cost	1,606	116	214	993	2,929
Accumulated depreciation	(936)	(68)	(125)	(993)	(2,122)
	670	48	89	–	807
At 31 December 2018					
Cost	1,648	116	214	993	2,971
Accumulated depreciation	(1,504)	(107)	(196)	(993)	(2,800)
	144	9	18	–	171

15. Other non-current assets

Target Group

	At 31 December		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Statutory deposits with SEHK			
– Compensation fund	50	50	50
– Fidelity fund	50	50	50
– Stamp duty	5	75	75
Contributions to the Central Clearing and Settlement System Guarantee Fund	50	50	50
Admission fees paid to Hong Kong Securities Clearing Company Limited	50	50	50
Rental deposits	3,398	3,398	208
	3,603	3,673	483

Target Company

	At 31 December		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Rental deposits	3,398	3,398	–

16. Financial assets at fair value through profit or loss

	At 31 December		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Equity securities listed in Hong Kong held for trading			
At beginning of reporting period	–	–	100
Additions	–	161	–
Fair value adjustment	–	(61)	(6)
Disposals	–	–	(94)
	–	100	–

The fair value of listed securities are determined based on the quoted market bid price available on the SEHK.

17. Accounts receivables

		At 31 December		
		2016	2017	2018
	Note	*HK$'000*	*HK$'000*	*HK$'000*
Accounts receivables arising from the ordinary course of business of dealing in securities:				
Cash clients	*(a)*	–	437	14
Margin clients	*(b)*	8,002	46,721	120,778
Clearing houses	*(c)*	–	16,202	17,195
Account receivables arising from the ordinary course of business of asset management:				
Management fee	*(d)*	–	–	28
		8,002	63,360	138,015
Less: Loss allowance		–	–	(766)
		8,002	63,360	137,249

17(a) For cash clients, the Target Group does not hold any collateral or other credit enhancements. The settlement terms of accounts receivable arising from the ordinary course of business of dealing in securities are two days after transaction dates. For balances that are past due, it will be charged at the fixed interest rates ranging from 8% to 18% per annum.

At the end of each reporting period, the ageing analysis of the accounts receivables (net of allowance for ECL) by due date is as follows:

	At 31 December		
	2016	2017	2018
	HK$'000	*HK$'000*	*HK$'000*
Not yet due	–	75	1
Past due:			
Within 30 days	–	200	–
31 to 90 days	–	162	13
	–	362	13
	–	437	14

17(b) Accounts receivables from margin clients represent loans granted to such clients by the Target Group. These loans are secured by their Hong Kong listed securities pledged to the Target Group, bearing fixed interest rates ranging from 8% to 18% per annum and repayable on demand. At the end of the reporting period, fair value of marketable securities pledged by margin clients was approximately HK$ 20,581,000, HK$174,076,000 and HK$217,719,000 at 31 December 2016, 2017 and 2018 respectively.

No ageing analysis is disclosed as in the opinion of the sole director of the Target Company, the ageing analysis does not give additional value in view of the nature of business dealing in securities margin financing.

17(c) At the end of the reporting period, the accounts receivables from clearing houses were not yet due. The normal settlement terms of accounts receivables are two days after the trade date.

17(d) The balance due represents the management fee income receivable from ChaoShang Asset Management (Cayman), one of the Non-core Subsidiaries, for managing and advising certain investment portfolios.

18. Deposits, prepayments and other receivables

Target Group

	At 31 December		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Deposits			
– Rental deposits	–	228	3,626
– Other deposits	98	113	73
Prepayments	105	4	319
Bond interest receivables	–	–	599
Commission receivables	–	776	–
Consultancy service income receivables	–	–	500
Other receivables	–	–	11
	203	1,121	5,128

Bond interest receivables are related to the bond investment made on behalf of a cash client and the corresponding balances payable to the client are recorded under account payable.

Target Company

	At 31 December		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Deposits			
– Rental deposits	–	–	3,398
– Other deposits	16	16	16
	16	16	3,414

19. Amount due from (to) Non-core Subsidiaries/a director/shareholder/subsidiaries

The amounts due are unsecured, interest-free and repayable on demand.

The Non-core Subsidiaries are subsidiaries of the Target Company during the Relevant Periods but would not form part of the Target Group following the completion of the Reorganisation as stated in Note 2 of the Historical Financial Information.

20. Client trust bank accounts

The Target Group maintains trust accounts with banks to deal with clients' monies in the ordinary course of business. The Target Group has recognised the corresponding accounts payable to respective clients.

21. Accounts payables

	At 31 December		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Accounts payables arising from the ordinary course of business of dealing in securities:			
Cash clients	7,695	22,710	22,511
Margin clients	32,137	109,872	25,676
Clearing houses	2,658	–	–
	42,490	132,582	48,187

The settlement terms of accounts payables from the ordinary course of business of dealing in securities in respect of cash clients, margin clients and clearing houses are two trading days after the transaction dates, which are unsecured and interest-free.

Accounts payables to clients include payables placed in segregated trust accounts with banks of approximately HK$40,883,000, HK$118,427,000 and HK$34,680,000 at 31 December 2016, 2017 and 2018 respectively.

22. Accruals and other payables

Target Group

	At 31 December		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Accruals			
– Accruals for entertainment expenses	382	4,952	851
– Accrual for performance bonus	–	–	500
– Accrual for double pay	66	245	–
– Other accruals	111	364	176
Commission payables	121	1,775	189
Payables for administrative service fee	480	382	280
Other payables	265	681	74
	1,425	8,399	2,070

Target Company

	At 31 December		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Other accruals	43	25	25
Payables for administrative service fee	480	382	280
	523	407	305

23. Obligation under finance lease

	Minimum lease payments At 31 December			Present value of minimum lease payments At 31 December		
	2016	**2017**	**2018**	**2016**	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Amount payable:						
Within one year	136	–	–	114	–	–
More than one year	466	–	–	394	–	–
	602	–	–	508	–	–
Future finance charges	(94)	–	–			
Present value of lease obligation	508	–	–			
Less: Amounts due for settlement within 12 months				(114)	–	–
Amount due for settlement after 12 months				394	–	–

The Target Group has early settled the finance lease obligation on 12 December 2017.

24. Amount due to shareholders

The amounts due are unsecured, interest free and not repayable in coming twelve months.

25. Deferred tax liabilities

The movement for the year in the Target Group's deferred tax liabilities was as follows:

	Year ended 31 December		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
At beginning of year	–	29	–
Charge (credit) to profit or loss	29	(29)	–
At end of the reporting period	29	–	–

Recognised deferred tax liabilities at the end of the reporting period represent the depreciation allowance.

The Target Group has not recognised deferred tax assets in respect of tax losses of approximately HK$6,906,000, HK$6,123,000 and HK$6,772,000 for the years ended 31 December 2016, 2017 and 2018 respectively because it is not probable that future taxable profit will be available against which the Target Group can utilise the benefits therefrom. The tax losses do not expire under current tax legislation.

26. Share capital

	2016		2017		2018	
	No. of shares	*HK$*	*No. of shares*	*HK$*	*No. of shares*	*HK$*
Authorised:						
On or after 13 March 2018: Shares of HK$0.01 each (Before 13 March 2018: HK$1 each)						
At beginning of the year	50,000	50,000	50,000	50,000	50,000	50,000
Capital reduction	–	–	–	–	–	(49,500)
Shares authorised	–	–	–	–	999,950,000	9,999,500
	50,000	50,000	50,000	50,000	1,000,000,000	10,000,000

	2016		2017		2018	
	No. of shares	*HK$*	*No. of shares*	*HK$*	*No. of shares*	*HK$*
Issued and fully paid:						
At beginning of the year	2	2.00	2	2.00	2	2.00
Capital reduction	–	–	–	–	–	(1.98)
New shares issued	–	–	–	–	12,998	129.98
	2	2.00	2	2.00	13,000	130.00

On 13 March 2018, the nominal value of each authorised and issued share of the Target Company was reduced from HK$1 to HK$0.01 each by cancelling the paid up share capital to the extent of HK$0.99 on each issued share by way of a reduction of capital. Each issued share shall be treated as one fully paid up share of nominal value of HK$0.01 each in the share capital of the Target Company.

The credit arising from the capital reduction should be applied towards offsetting the amount due to shareholders of the Target Company as at the effective date of the capital reduction. The balance of credit of HK$1.98 had been transferred to amount due to shareholders. Immediately following the capital reduction, the maximum number of authorised shares for issue by the Target Company was increased from 50,000 shares of no par value to 1,000,000,000 shares with a nominal or par value of HK$0.01 each by the creation of 999,950,000 new shares of HK$0.01 each rank *pari passu* with the existing shares in all respects.

On 19 June 2018, the issued share capital of the Target Company was increased to HK$100 by allotting 9,998 ordinary shares of HK$0.01 each. These shares rank *pari passu* with the existing shares in all respects.

On 20 June 2018, the issued share capital of the Target Company was increased to HK$130 by allotting 3,000 ordinary shares of HK$0.01 each. These shares rank *pari passu* with the existing shares in all respects.

27. Reserves

27(a) Capital reserve

During the year ended 31 December 2018, three shareholders agreed to waive approximately HK$102,767,000 due from the Target Company. Such amount was directly recognised in equity as additional capital contribution from equity owners.

28. Cash used in operations

	Year ended 31 December		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
(Loss) Profit before taxation	(7,176)	25,800	26,741
Adjustments for:			
Interest expenses	7	76	–
Interest income	–	(1)	(20)
Depreciation	1,288	1,117	710
Net impairment loss on accounts receivables	–	–	766
Loss on disposal of property, plant and equipment	–	–	338
Fair value loss on financial assets at fair value through profit or loss	–	61	6
Changes in working capital:			
Other non-current assets	(3,603)	(70)	3,190
Accounts receivables	(8,002)	(55,358)	(74,654)
Deposits, prepayments and other receivables	(203)	(918)	(4,007)
Amount due from Non-core Subsidiaries	(11)	(300)	(150)
Amount due from a director/shareholder	(1)	1	(5,422)
Client trust bank accounts	(40,883)	(77,544)	83,747
Accounts payables	42,490	90,092	(84,395)
Accruals and other payables	1,424	6,973	(6,329)
	(14,670)	(10,071)	(59,479)

29. Related party transactions

(a) Transactions

In addition to the transactions/information disclosed elsewhere in the Historical Financial Information, during the Relevant Periods, there are no other transactions involving related party.

(b) Remuneration for key management personnel of the Target Group

The remuneration of members of key management, other than the Target Company's sole director as disclosed in Note 8 to the Historical Financial Information for the Relevant Periods, is as follows:

	Year ended 31 December		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Salaries, allowances and other benefits	121	432	455
Commission paid	–	369	18
Contributions to defined contribution plans	5	18	18
Discretionary bonuses	–	–	40
	126	819	531

30. Additional information on cash flows

(a) Major non-cash transactions

During the year ended 31 December 2016, the Target Group entered into finance lease arrangement in respect of a motor vehicle with total capital value at the inception of the lease of approximately HK$580,000.

During the year ended 31 December 2018, three shareholders agreed to waive the repayment of approximately HK$102,767,000 amount due from the Target Group.

(b) Reconciliation of liabilities arising from financing activities

The movements during the Relevant Periods in the Target Group's liabilities arising from financing activities are as follows:

Year ended 31 December 2016

	At 1 January 2016	Cash flows	Non-cash changes	At 31 December 2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Obligation under finance lease	–	(72)	580	508
Amount due to shareholders	209	35,587	–	35,796
	209	35,515	580	36,304

Year ended 31 December 2017

	At 1 January 2017	Cash flows	Non-cash changes	At 31 December 2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Obligation under finance lease	508	(508)	–	–
Amount due to shareholders	35,796	14,481	–	50,277
	36,304	13,973	–	50,277

Year ended 31 December 2018

	At 1 January 2018	Cash flows	Non-cash changes	At 31 December 2018
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Amount due to shareholders	50,277	52,490	(102,767)	–

31. Financial risk management objectives and policies

The Target Group's principal financial instruments comprise of financial assets at fair value through profit or loss, bank balances and cash, amount due from/to related parties and obligation under finance lease. The main purpose of these financial instruments is to raise and maintain finance for the Target Group's operations. The Target Group has various other financial instruments such as accounts and other receivables, client trust bank accounts and accounts and other payables, which arise directly from its business activities.

The main risks arising from the Target Group's financial instruments are interest risk, foreign currency risk, credit risk and liquidity risk. The sole director generally adopts conservative strategies on its risks management and limits the Target Group's exposure to these risks to a minimum. The sole director reviews and agrees policies for managing each of these risks and they are summarised as follows:

Interest-rate risk

The Target Group's exposure to market risk of changes in interest rates relates primarily to the Target Group's bank balances, loans to clients (other than margin clients) and margin financing to the Target Group's securities margin clients. The interest rates charged and the margin ratio allowed to the Target Group's securities margin clients were determined with reference to the terms from banks. The Target Group closely manages its exposure arising from margin financing by allowing an appropriate margin on the interest received and paid by the Target Group.

In the opinion of the sole director of the Target Group, the interest rate risk exposure is not significant as the interest charged to accounts receivables on margin clients are on fixed interest rate. Accordingly, no sensitivity analysis has been presented on the interest rate risk.

Foreign currency risk

The Target Group is exposed to foreign currency risk on transactions that are denominated in a currency other than HK$. Certain bank balances are denominated in Renminbi ("RMB") as at 31 December 2016, 2017 and 2018.

The Target Group currently does not have a foreign currency hedging policy but the sole director monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise. The sole director considers the risk of movements in exchange rate between the RMB and HK$ to be insignificant due to insignificant bank balance denominated RMB.

Credit risk

The carrying amount of financial assets on the combined statements of financial position which is net of impairment losses, represents the Target Group's maximum exposure to credit without taking into account the value of any collateral held or other credit enhancements.

Accounts receivables

The Target Group's major exposure to credit risk arising from the ordinary course of business of broking of securities with maximum exposure equal to the carrying amounts of accounts receivables in the combined statement of financial position. The Target Group has a well-established credit policy in granting credit limits to securities margin clients who are required to deposit their securities with the Target Group as collaterals to their borrowings. The Target Group is also exposed to credit risk from the default of cash clients in a transaction when settlement.

Credit risks of both margin and cash clients are monitored on an ongoing basis with reference to the realisable values of the collaterals, and if required, approval from the sole director must be obtained. Individual evaluations are performed on balances over the settlement period. These evaluations focus on the client's past history of making payments when due and current ability to pay, and take into account information specific to the client.

As at 31 December 2016, 2017 and 2018, the Target Group has concentration of credit risk as 54%, 10% and 8%, and 100%, 37% and 28%, respectively, of the total accounts receivables was due from the Target Group's largest customer and the five largest customers respectively.

Accounts receivables have been grouped based on shared credit risk characteristics and the sole director considers the debtors' ageing, historical experience and forward-looking information in determining the recoverability of the account receivables. The Target Group recognises a loss allowance based on ECL at each reporting date with reference to its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The expected loss rate used in the matrix is calculated for each category based on actual credit loss experience over the past three years and adjusted for current and forward-looking factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Target Group's estimate on future economic conditions over the expected lives of the receivables.

The accounts receivables had not impaired for the year ended 31 December 2016 and 2017 as there had not been any significant changes in credit quality. The sole director considers the exposure to credit risk and ECL for account receivables which are assessed collectively is negligible and believes that the amounts would be fully recoverable at 31 December 2016 and 2017, for which no loss allowance was recognised respectively.

A loss allowance of approximately HK$766,000 is provided to reflect the ECL on the accounts receivable on margin clients at 31 December 2018.

The information about the exposure to credit risk and ECL for accounts receivables on margin clients using a matrix as at 31 December 2018 is summarised below.

Accounts receivables on margin clients

As at 31 December 2018

	Expected loss rate	**Gross carrying amount**	**Loss allowance**	**Credit-impaired**	**ECL**
	%	*HK$'000*	*HK$'000*		
No shortfall	0	76,958	–	No	12-month
Shortfall within HK$500,000	1	19,960	200	No	12-month
Shortfall between HK$500,001 to HK$2,500,000	2	14,962	299	No	12-month
Shortfall above HK$2,500,000	3	8,898	267	No	12-month
		120,778	766		

The movement in the loss allowance for accounts receivables during the years is summarised below.

	2016	2017	2018
	HK$'000	*HK$'000*	*HK$'000*
At beginning of year	–	–	–
Increase in allowance	–	–	766
At end of year	–	–	766

The significant changes in the gross carrying amounts of accounts receivables on margin clients was caused by the origination of new assets, which contributed to the increase in the loss allowance during the year ended 31 December 2018.

Amounts due from Non-core Subsidiaries/a director/shareholder and other receivables

The Target Group considers that the amounts due from Non-core Subsidiaries and a director/shareholder and other receivables have low credit risk based on the borrowers' strong capacity to meet its contractual cash flow obligations in the near term and low risk of default. Impairment on amounts due from Non-core Subsidiaries and a director/shareholder and other receivables is measured on 12-month ECL and reflects the short maturities of the exposures.

In estimating the ECL, the Target Group has taken into account the historical actual credit loss experience and the financial position of the counterparties, adjusted for forward-looking factors that are specific to the debtors and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case. The sole director of the Target Group considers the ECL of these financial assets to be insignificant after taking into account the financial position and credit quality of the counterparties and significance of balances.

There was no change in the estimation techniques or significant assumptions made during the Relevant Periods.

Liquidity risk

The Target Group manages to maintain its liquidity position at a prudent and adequate liquidity level. The sole director reviews the liquidity level to ensure compliance with the statutory requirements for requirements for the entities within the Target Group as being a licensed corporation.

The maturity profile of the Target Group's financial liabilities at the end of each reporting period based on contractual undiscounted payments is summarised below:

	On demand or less than 1 year	1 to 2 years	2 to 5 years	Total contractual undiscounted cash flow	Total carrying amount
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 31 December 2016					
Accounts payables	42,490	–	–	42,490	42,490
Accruals and other payables	1,425	–	–	1,425	1,425
Obligation under finance lease	136	466	–	602	508
Amount due to shareholders	–	35,796	–	35,796	35,796
	44,051	36,262	–	80,313	80,219

	On demand or less than 1 year	1 to 2 years	2 to 5 years	Total contractual undiscounted cash flow	Total carrying amount
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 31 December 2017					
Accounts payables	132,582	–	–	132,582	132,582
Accruals and other payables	8,399	–	–	8,399	8,399
Amount due to shareholders	–	50,277	–	50,277	50,277
	140,981	50,277	–	191,258	191,258

	On demand or less than 1 year	1 to 2 years	2 to 5 years	Total contractual undiscounted cash flow	Total carrying amount
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 31 December 2018					
Accounts payables	48,187	–	–	48,187	48,187
Accruals and other payables	2,070	–	–	2,070	2,070
	50,257	–	–	50,257	50,257

32. Fair value measurements

The following presents the assets and liabilities measured at fair value or required to disclose their fair value in the Historical Financial Information on a recurring basis across the three levels of the fair value hierarchy defined in HKFRS 13, *Fair Value Measurement*, with the fair value measurement categorised in its entirety based on the lowest level input that is significant to the entire measurement. The levels of inputs are defined as follows:

- Level 1 (highest level): quoted prices (unadjusted) in active markets for identical assets or liabilities that the Target Group can access at the measurement date;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

- Level 3 (lowest level): unobservable inputs for the asset or liability.

Financial assets at fair value through profit or loss of HK$nil, HK$100,000 and HK$nil at 31 December 2016, 2017 and 2018 are measured at Level 1 of the fair value hierarchy.

During the year ended 31 December 2016, 2017 and 2018, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

All other financial assets and financial liabilities are carried at amounts not materially different from their fair values at 31 December 2016, 2017 and 2018.

33. Capital management

The objective of the Target Group's capital management is to safeguard its ability to continue as a going concern in order to provide returns for shareholders. The Target Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and future capital requirement of the Target Group. To maintain or adjust the capital structure, the Target Group may adjust the dividend payment to shareholders, issue new shares, or raise and repay debts. No changes were made in the objectives, policies or processes during the Relevant Periods.

Certain subsidiaries engaged in securities dealings and broking, corporate finance and investment advisory services which are regulated entities under the Securities and Futures Commission and therefore subject to the respective minimum capital requirements and liquid capital requirements under the Hong Kong Securities and Futures (Financial Resources) Rules (the "SF(FR)R"). Management closely monitors, on a daily basis, the liquid capital requirements under the SF(FR)R. For regulated entities, the Target Group complied with the capital requirements imposed by the SF(FR)R throughout Relevant Periods.

34. Commitments

Commitments under operating leases

Operating lease payments mainly represent rentals payable for certain premises. Leases are negotiated for and rentals are fixed for an average of 2 to 5 years. None of the leases includes contingent rentals.

At the end of each reporting period, the Target Group had total future minimum lease payments under non-cancellable operating leases, which are payable as follows:

	At 31 December		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Within one year	4,000	4,000	2,974
In the second to fifth years inclusive	5,000	1,000	–
	9,000	5,000	2,974

35. Interest in subsidiaries

	At 31 December		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Unlisted investment, at cost	59,420	69,780	122,780

Details of the subsidiaries at the end of each reporting period are as follows:

Name of subsidiary	Place of incorporation/ operation	Particulars of issued share capital	Effective ownership interest held by the Target Company		Principal activities
			Directly	*Indirectly*	
ChaoShang Securities	Hong Kong	HK$102,780,000	100%	–	Provision of securities brokerage, underwriting, placing and margin financing services
ChaoShang Asset Management	Hong Kong	HK$10,000,000	100%	–	Provision of asset management services and investment advisory services
Chaoshang Enterprise	Hong Kong	HK$10,000,000	100%	–	Provision of management services

36. Information about the benefits of the sole director

The following disclosures are presented pursuant to section 383 of the Hong Kong Companies Ordinance.

Loans, quasi loans and credit transactions in favour of the sole director of the Target Group

The principal terms of following balances are unsecured, interest-free and repayable on demand.

2016		Outstanding amount		
Borrower	Name of director and nature of connected-entity connection	Greatest during the year	At 1 January 2016	At 31 December 2016
		HK$'000	*HK$'000*	*HK$'000*
In favour of a director of the Target Group directly				
Au Kwong Hoi	N/A	1	–	1
In favour of a director of the Target Group indirectly				
ChaoShang Credit	Au Kwong Hoi owns equity interest	11	–	11
		12	–	12
Included in				
• Amount due from a director/shareholder		1	–	1
• Amount due from Non-core Subsidiaries		11	–	11
		12	–	12

2017		Outstanding amount		
Borrower	Name of director and nature of connected-entity connection	Greatest during the year	At 1 January 2017	At 31 December 2017
		HK$'000	*HK$'000*	*HK$'000*
In favour of a director of the Target Group directly				
Au Kwong Hoi	N/A	1	1	–
In favour of a director of the Target Group indirectly				
Chaoshang Bullion	Au Kwong Hoi owns equity interest	12	–	12
ChaoShang Credit	Au Kwong Hoi owns equity interest	34	11	34
ChaoShang Entertainment	Au Kwong Hoi owns equity interest	4	–	4
Chaoshang Group Co	Au Kwong Hoi owns equity interest	2	–	2
ChaoShang International	Au Kwong Hoi owns equity interest	252	–	252
ChaoShang OBOR	Au Kwong Hoi owns equity interest	4	–	4
ChaoShang Wealth Management	Au Kwong Hoi owns equity interest	3	–	3
		311	11	311
		312	12	311
Included in				
• Amount due from a director/shareholder		1	1	–
• Amount due from Non-core Subsidiaries		311	11	311
		312	12	311

2018		Outstanding amount		
Borrower	**Name of director and nature of connected-entity connection**	**Greatest during the year**	**At 1 January 2018**	**At 31 December 2018**
		HK$'000	*HK$'000*	*HK$'000*
In favour of a director of the Target Group directly				
Au Kwong Hoi	N/A	5,422	–	5,422
In favour of a director of the Target Group indirectly				
Chaoshang Bullion	Au Kwong Hoi owns equity interest	23	12	23
ChaoShang Credit	Au Kwong Hoi owns equity interest	126	34	126
ChaoShang Entertainment	Au Kwong Hoi owns equity interest	12	4	12
Chaoshang Group Co	Au Kwong Hoi owns equity interest	10	2	10
ChaoShang International	Au Kwong Hoi owns equity interest	266	252	266
ChaoShang OBOR	Au Kwong Hoi owns equity interest	13	4	13
ChaoShang Wealth Management	Au Kwong Hoi owns equity interest	10	3	10
		460	311	460
		5,882	311	5,882
Included in				
• Amount due from a director/shareholder		5,422	–	5,422
• Amount due from Non-core Subsidiaries		460	311	460
		5,882	311	5,882

37. Events after the reporting period

In addition to the information disclosed elsewhere in the Historical Financial Information, subsequent to 31 December 2018, the Target Group has the following subsequent events:

(i) On 15 and 16 April 2019, the Target Company disposed its entire equity interests in certain Non-core Subsidiaries, namely ChaoShang Entertainment, Chaoshang Group Co, Chaoshang Bullion, ChaoShang OBOR, ChaoShang Wealth Management, ChaoShang International and ChaoShang Credit at a consideration of HK$10,000 each, to a third party.

(ii) On 29 April 2019, the Target Company disposed its entire equity interest in the Non-core Subsidiary, namely ChaoShang Asset Management (Cayman), at a consideration of USD1 (equivalent to HK$8), to a third party.

38. Subsequent financial statements

No audited financial statements have been prepared in accordance with HKFRSs and/ or other applicable financial reporting standards for the Target Company or any of its subsidiaries in respect of any period subsequent to 31 December 2018 and up to the date of this report.

Set out below is the management discussion and analysis of the business and results of operations of the Target Group based on the accountants' report of the Target Company as set out in Appendix II to this circular.

MANAGEMENT DISCUSSION AND ANALYSIS ON THE TARGET GROUP

Business Review

The principal activities of the Target Group are provision of securities broking services and asset management services.

The year 2017 and 2018 is full of opportunities to the Target Group. The daily turnover of securities in year 2017 and 2018 were HK$88.2 billion and HK$107.4 billion. There were 174 and 218 newly listed companies in Hong Kong for year 2017 and 2018 respectively and the fund raised through IPOs in year 2018 was HK$286.5 billion, representing an increase of 123% from HK$128.5 billion in year 2017.

Securities Broking Services

There are currently around 700 to 800 active clients in respect of the Target Group's securities broking business. Most clients are individual investors who have investment knowledge and experience and are referred by the existing clients or sourced by the account executives of the Target Group. As at the Latest Practicable Date, there are 15 employees in the Target Group and no shop has been opened for operations.

The Target Group recorded a turnover of approximately HK$2.5 million, HK$52.0 million and HK$58.8 million for the years ended 31 December 2016, 2017 and 2018 respectively. The revenue increased by approximately 1980% for the year ended 31 December 2017 as compared with that for the year ended 31 December 2016 and further increased by approximately 13.1% for the year ended 31 December 2018. The increase in revenue during the year ended 31 December 2017 was mainly contributed by business expansion and the further increase during the year ended 31 December 2018 was mainly attributable to the increase in interest income from margin financing and underwriting and placing commission.

The Target Group recorded a profit of approximately HK$1.9 million, HK$40.9 million and HK$47.4 million from the securities broking services for the years ended 31 December 2016, 2017 and 2018 respectively. The Target Group commenced its securities broking business in August 2016 and further expanded its business during the year ended 31 December 2017, as such the profit significantly increased during the year ended 31 December 2017 and was steadily developed during the year ended 31 December 2018.

During the early stage of the business in the year ended 31 December 2016, the Target Group completed three placing transactions for listed companies. As the securities brokerage business gradually developed, the Target Group completed 26 and 27 placing transactions for listed companies in the year ended 31 December 2017 and 2018 respectively. As a result, based on the accountants' report of the Target Group, the revenue surged by 1,980% to HK$52 million in the year ended 31 December 2017. The margin finance provided by the Target Group has increased during the years ended 31 December 2017 and 2018 as a result of an increase in the volume of transactions during the years, accordingly the account receivables balance as at 31 December 2018 increased significantly by 117% to HK$137 million.

In respect of margin financing services, the Target Group provides financing to its clients for their purchases of publicly traded stocks, which are collateralized by securities or cash. The clients generally have frequent cash in and outflow.

As at 31 December 2018, the trade receivables amount to approximately HK$137 million, of which HK120.7 million was due from margin financing clients and the remaining was mainly due from the clearing houses outstanding settlement.

It is common within the securities broking industry to provide customers with varying settlement and credit terms. This is particularly so for the Target Group whose margin clients have pledged their stocks to the Target Group and the Target Group will not call on the margin clients to settle the margin loan if the market value of their respective stocks (in proportion to their margin position) are still within acceptable risk control levels. Taking into consideration the above, the Board considers that operating cash flow and turnover rate are not applicable to evaluate the level of account receivables.

The Target Group has a policy in credit control which is in line with the industry practice. The Target Group closely monitors the margin level of each customer and requests for top up or settlement when the margin level of each customer exceeds its approved level or if there is significant shortfall as compared with the market value of their respective investment portfolio.

The margin level of the customers for the years ended 31 December 2016, 2017 and 2018 ranges from 4.59% to 19.63% which is in line with the industry practice and in compliance with the settlement requirement required by the Stock Exchange and minimum liquid capital required by the SFC.

In light of the above, the Directors is of the view that the terms of the Acquisition are fair and reasonable and in the interests of the Shareholders as a whole.

Asset Management Services

No turnover was recorded for the years ended 31 December 2016 and 2017. The Target Group recognized a turnover of approximately HK$67,000 from the asset management business for the year ended 31 December 2018.

The asset management business of the Target Group is still in the process of further development, as such the Target Group recorded a loss of approximately HK$4,000, HK$808,000 and HK$277,000 from this segment for the years ended 31 December 2016, 2017 and 2018 respectively.

Financial Review

The Target Group recorded a turnover of approximately HK$2.5 million, HK$52.0 million and HK$58.8 million for the years ended 31 December 2016, 2017 and 2018 respectively. The Target Group recorded a loss before tax of approximately HK$7.2 million for the year ended 31 December 2016 whilst a profit before tax of approximately HK$25.8 million and HK$26.7 million was recorded for the years ended 31 December 2017 and 2018 respectively. The Target Group commenced its business in August 2016 and further expanded during the years ended 31 December 2017 and 2018, as such the turnover and profit before tax has been significantly increased in year 2017 and 2018 as compared with that in the year 2016.

The total assets of the Target Group amounted to HK$72.8 million, HK$209.7 million and HK$198.2 million as at 31 December 2016, 2017 and 2018 respectively. The net liabilities of the Target Group amounted to HK$7.4 million as at 31 December 2016 whilst the net assets of the Target Group amounted to HK$14.0 million and HK$138.8 million as at 31 December 2017 and 2018 respectively. The significant improvement of the financial position of the Target Group as at 31 December 2018 was mainly attributable to the waiver of the amounts due to three shareholders of approximately HK$102.8 million. Such amount was directly recognised in equity as additional capital contribution from equity owners.

Liquidity, financial resources and gearing

As at 31 December 2016, the Target Group had cash and bank balances of approximately HK$17.6 million, which are in Hong Kong Dollar. As at 31 December 2017, the Target Group had cash and bank balances of approximately HK$21.0 million, of which HK$1,500 are in United States Dollar and HK$1,100 are in Renminbi. As at 31 December 2018, the Target Group had cash and bank balances of approximately HK$14.0 million, of which HK$1,500 are in United States Dollar and HK$5,800 are in Renminbi. As at 31 December 2016, the Target Group had total borrowings of approximately HK$508,000 in relation to an obligation of finance lease in Hong Kong, which bore interest at fixed rate of 3.5%. Whilst the Target Group did not have any borrowings as at 31 December 2017 and 2018. The Target Group's gearing ratio as at 31 December 2016, calculated by dividing total borrowings by total equity, was -6.9%. The liquidity ratio as at 31 December 2016, 2017 and 2018, being the ratio of current asset over current liabilities, was 1.5, 1.4 and 3.3 respectively.

The improvement in the Target Group's gearing ratio as at 31 December 2017 was attributable to the repayment of the obligation under finance lease. There were no material changes in the liquidity ratio as at 31 December 2016 and 2017 whilst the significant improvement in the Target Group's liquidity ratio as at 31 December 2018 was mainly attributable to the decrease in trade payables.

Capital structure

As at 31 December 2016 and 2017, the total number of issued shares of the Target Company was 2 of HK$1 each.

On 13 March 2018, the nominal value of each authorized and issued share of the Target Company was reduced from HK$1 to HK$0.01 each by cancelling the paid up share capital to the extent of HK$0.99 on each issued share by way of a reduction of capital. Each issued share shall be treated as one fully paid up share of nominal value of HK$0.01 each in the share capital of the Target Company.

The credit arising from the capital reduction should be applied towards offsetting the amount due to shareholders of the Target Company as at the effective date of the capital reduction. The balance of credit of HK$1.98 had been transferred to amount due to shareholders. Immediately following the capital reduction, the maximum number of authorised shares for issue by the Target Company was increased from 50,000 shares of no par value to 1,000,000,000 shares with a nominal or par value of HK$0.01 each by the creation of 999,950,000 new shares of HK$0.01 each rank *pari passu* with the existing shares in all respects.

On 19 June 2018, the issued share capital of the Target Company was increased to HK$100 by allotting 9,998 ordinary shares of HK$0.01 each. These shares rank *pari passu* with the existing shares in all respects.

On 20 June 2018, the issued share capital of the Target Company was further increased to HK$130 by allotting 3,000 ordinary shares of HK$0.01 each. These shares rank *pari passu* with the existing shares in all respects.

As at 31 December 2018, the total number of issued shares of the Target Company was 13,000 of HK$0.01 each.

Significant investment, material acquisition and disposal

The Target Group did not have any significant investment, or material acquisition or disposal of subsidiaries and associated companies for the years ended 31 December 2016, 2017 and 2018.

Employees and Remuneration Policies

The Target Group is subject to various ordinances, rules and guidelines such as, but not limited to, the SFO, the Personal Data (Privacy) Ordinance, the SFC's Guideline on Anti-Money Laundering and Counter-Financing of Terrorism ("**AML Guideline**"). Each licensed individual must undertake prescribed hours of continuous professional training for each regulated activity he/she engages in each calendar year. Also, all the employees of the Target Group are required to participate in continuous professional training to develop and refresh their knowledge and skills.

Knowledge and skills of employees are vital to the continuous business growth and success of the Target Group. As such, the Target Group is committed to providing support to its employees in continuous professional training and encourages them to attend professional training programs by offering eligible employees with sponsorship, examination fee reimbursement, education and examination leaves.

The Target Group employed 14 employees as at 31 December 2018. The remunerations paid to the Target Group's employees for the years ended 31 December 2016, 2017 and 2018 were approximately HK$1.9 million, HK$6.5 million and HK$8.2 million respectively.

The remuneration package for the employees generally includes salary and discretionary bonuses. The emolument policy of the Target Group is on the basis of the qualifications and contributions of individuals to the Target Group as well as the performance of the Target Group. The senior management will review and determine the remuneration and compensation packages of the employees with reference to their experience, responsibilities, workload and time devoted to the Target Group and performance of the Target Group.

Charges on group assets

As at 31 December 2016, the Target Group's obligation of finance lease was secured by a leased asset owned by the Target Group with carrying value of approximately HK$548,000. As at 31 December 2017 and 2018, none of the Target Group's assets was pledged to secure any facilities and borrowings granted to the Target Group.

Foreign exchange exposure

The Target Group is exposed to foreign currency risk on transactions that are denominated in a currency other than HK$. Certain bank balances are denominated in Renminbi ("**RMB**") as at 31 December 2016, 2017 and 2018.

The Target Group currently does not have a foreign currency hedging policy but the management of the Target Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise. The management of the Target Group considers the risk of movements in exchange rate between the RMB and HK$ to be insignificant due to insignificant bank balances denominated in RMB.

Funding and Treasury Policies

The Target Group generally finances its business operations with internally generated cash flow. The Target Group adopted a prudent funding and treasury policies to maintain adequate liquidity at all times to meet its obligations and commitments as and when they fall due.

Future plans for material investments and capital assets

The Target Group is now focusing on the securities broking services. It may continuously look for valuable investment opportunities. There is no target being identified as at the Latest Practicable Date.

Contingent liabilities

The Target Group did not have significant contingent liabilities as at 31 December 2016, 2017 and 2018.

Future Prospect

The trade conflict between the United States (the "**US**") and the PRC has posed uncertainties to the global economy. However, recently both the PRC and the US have displayed goodwill in many occasions. In addition, certain large US enterprises have recently lowered their growth forecasts for 2019, which has caused concerns of a potential slowdown in US economy. The Federal Chairman has switched his tone potentially from hawkish to dovish, after indicating that the current US interest rate is only below the neutral level. As a result of the above factors, the USD may retreats in the year 2019, it will help fund flows return to emerging markets, and will benefit the performance of Hong Kong stock markets.

Looking ahead, the Target Group is prudently optimistic in respect of its securities broking and asset management business and will proactively explore customers with good quality to expand its business scale.

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

(1) INTRODUCTION

The following unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group (the "Unaudited Pro Forma Financial Information") has been prepared in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), for the purpose of illustrating the effect of the assets and liabilities of the Enlarged Group as if the Acquisition had been completed on 30 September 2018.

The Unaudited Pro Forma Financial Information is based on (i) the unaudited consolidated statement of financial position of the Group as at 30 September 2018 as extracted from the interim report of the Group for the six months ended 30 September 2018; (ii) the audited combined statement of financial position of ChaoShang Financial Holding Limited (the "Target Company") and its subsidiaries, namely ChaoShang Securities Limited, CHAOSHANG ASSET MANAGEMENT LIMITED and ChaoShang Enterprise Consulting Service Co., Limited (hereinafter collectively referred to as, the "Target Group") as at 31 December 2018 as extracted from accountants' report thereon set out in Appendix II to this Circular, after making pro forma adjustments as summarized in the accompanying notes that are directly attributable to the Acquisition and factually supportable as if the Acquisition had been undertaken as at 30 September 2018.

The Unaudited Pro Forma Financial Information has been prepared by the Directors for illustrative purpose only and is based on a number of assumptions, estimates and uncertainties. Because of its hypothetical nature, the Unaudited Pro Forma Financial Information may not give a true picture of the financial position of the Enlarged Group had the Acquisition been completed as of the specified dates or any future dates.

The Unaudited Pro Forma Financial Information should be read in conjunction with other financial information included elsewhere in this Circular.

(2) UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES OF THE ENLARGED GROUP

	The Group as at 30 September 2018	The Target Group as at 31 December 2018	Pro forma adjustments			Pro forma Enlarged Group as at 30 September 2018
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 2)*	*(Note 3, 4, 5)*	*(Note 6)*	*(Note 7)*	
Non-current assets						
Property, plant and equipment	99,407	235				99,642
Right-of-use asset	–	–		26,208		26,208
Goodwill	1,000	–	61,963			62,963
Intangible assets	–	500	30,000			30,500
Other financial assets	–	–	5,466			5,466
Other non-current assets	–	483				483
Finance lease payment receivables	97,118	–				97,118
	197,525	1,218				322,380
Current assets						
Inventories	111	–				111
Other financial asset	–	–	91			91
Trade receivables	133,090	137,249				270,339
Bills receivable	85	–				85
Deposits, prepayments and other receivables	83,137	5,128		140		88,405
Held-for-trading investments	77,298	–				77,298
Finance lease payment receivables	103,876	–				103,876
Loan and interest receivables	87,735	–				87,735
Amount due from Non-core subsidiaries	–	460				460
Amount due from a shareholder	–	5,422				5,422
Tax recoverable	31	–				31
Client trust bank accounts	–	34,680				34,680
Cash and bank balances	128,876	14,022	(201,291)	(902)	(900)	(60,195)
	614,239	196,961				608,338

	The Group as at 30 September 2018	The Target Group as at 31 December 2018	Pro forma adjustments			Pro forma Enlarged Group as at 30 September 2018
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 2)*	*(Note 3, 4, 5)*	*(Note 6)*	*(Note 7)*	
Current liabilities						
Trade payables	1,127	48,187				49,314
Lease liability	–	–		4,618		4,618
Contract liabilities	2,654	–				2,654
Accruals, other payables and deposit received	31,640	2,070				33,710
Amounts due to a director	2,828	–				2,828
Amounts due to a non-controlling interests	244	–				244
Tax payables	9,249	9,131				18,380
	47,742	59,388				111,748
Net current assets	566,497	137,573				496,590
Total assets less current liabilities	764,022	138,791				818,970
Non-current liabilities						
Lease liability	–	–		20,828		20,828
Retained Consideration payable	–	–	30,070			30,070
Deferred tax liabilities	–	–	4,950			4,950
	–	–				55,848
Net assets	764,022	138,791				763,122

NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

1. The balances of the Group were extracted from the unaudited consolidated statement of financial position of the Group as at 30 September 2018 which formed part of the unaudited interim financial information of the Group for the six months ended 30 September 2018, as set out in the Company's published interim report for the six months ended 30 September 2018.

2. The balances of the Target Group as at 31 December 2018 were extracted from the accountants' report as set out in Appendix II to this circular.

3. Pursuant to the Sale and Purchase Agreement dated 7 January 2019 (as amended and supplemented by the supplemental agreement dated 20 March 2019) (the "Sale and Purchase Agreement") entered into between the Company and Mr. Au Kwong Hoi, Mr. Guo Keqin, Harmony Happy Limited (the "Vendors"), the Company conditionally agreed to purchase and the Vendors conditionally agreed to sell the entire equity interest in the Target Company, the initial consideration for the Acquisition is HK$250,000,000 which is satisfied by the Group in the following manner:

   (i) by cash as refundable deposit (the "Deposit") of HK$30,000,000 shall be paid within sixty days from the date of the Sale and Purchase Agreement (or such later date as the Vendors and the Company may agree in writing) (which on Completion shall form part of the Consideration);

   (ii) by cash as to HK$182,500,000 upon completion of the Acquisition; and

   (iii) the remaining balance in the amount of HK$37,500,000 (the "Total Retained Consideration") shall be retained by the Company at Completion as security and subject to the fulfillment of the relevant Guaranteed Profits (the "Retained Consideration Payable").

4. Pursuant to the Sale and Purchase Agreement, each of the Vendors irrevocably and unconditionally warrants and guarantees to the Company that the audited profits after tax of the Target Company calculated in accordance with the HKFRS as shown in its audited consolidated financial statements for the Guaranteed Periods, shall not be less then the following amounts for each of the Guaranteed Period (the "Guaranteed Profit(s)"):

Guaranteed Periods:

(i) the period commencing from the Completion Date and ending on the closest financial year end date (the" First Guaranteed Period");

(ii) the financial year following the First Guaranteed Period (the "Second Guaranteed Period");

(iii) the financial year following the Second Guaranteed Period (the "Third Guaranteed Period"); and

(iv) the period commencing from the date immediately after the Third Guaranteed Period and ending on a date which together with the First Guaranteed Period shall add up to 365 days (the "Fourth Guaranteed Period).

	Guaranteed Profit HK$
First Guaranteed Profit	HK$20 million × N/365 days
Second Guaranteed Profit	(HK$20 million – First Guaranteed Profit) + HK$25 million × N/365 days
Third Guaranteed Profit	(HK$25 million x (365 days – N)/365 days) + HK$30 million × N/365 days
Forth Guaranteed Profit	HK$30million x (365 days – N)/365 days

Note: "N" represents total number of days within the First Guaranteed Period.

If the actual audited consolidated profits after tax of the Target Company calculated in accordance with HKFRS for the relevant Guaranteed Period (the "Actual Profit") is not less than the relevant Guaranteed Profit, the Company shall (i) release and pay to the Vendors the relevant Retained Consideration in full to set off against the Total Retained Consideration; and (ii) procure the Target Company to pay an amount equivalent to 50% of the difference between the Actual Profit and the Guaranteed Profit (if any) to the Vendors in cash within seven (7) Business Days upon receipt of the relevant certificate to be issued by the Auditors certifying the amount of the audited consolidated profits after tax of the Target Company for the relevant Guaranteed Period (the "Guarantee Certificate").

If the Actual Profit is less than the relevant Guaranteed Profit, the Vendors shall compensate the Company with an amount (the "Compensation Sum") subject to conditions as set out in paragraphs headed "Profit Guarantee" as set out in "Letter from the Board" to this circular.

5. Upon completion of the Acquisition, the identifiable assets and liabilities of the Target Group will be accounted for in the consolidated financial statements of the Enlarged Group at the fair values under acquisition accounting in accordance with Hong Kong Financial Reporting Standard ("HKFRS") 3 (Revised) "Business Combinations" ("HKFRS 3 (Revised)") issued by Hong Kong Institute of Certified Public Accountants ("HKICPA").

   The recognition of pro forma goodwill arising on the Acquisition as if the Acquisition had been completed as at 30 September 2018 is as follows:

   (a) Pro Forma adjustments made represent:

		HK$'000
Consideration:		
Cash	*(Note i)*	212,500
Fair value of the Retained Consideration Payable	*(Note ii)*	30,070
Other financial asset – profit guarantee	*(Note iii)*	(5,557)
Total pro forma cost of the Acquisition		237,013
Less:		
Fair value of net assets to be acquired	*(Note (b))*	175,050
Goodwill arising from the Acquisition		61,963

(b) Fair value of net assets to be acquired represents:

		HK$'000
Asset acquired in the acquisition:		
Net asset value of the Target Group		138,791
Net asset value guarantee	*(Note iv)*	11,209
		150,000
Add:		
Fair value adjustments on:		
Intangible assets	*(Note v)*	30,000
Deferred tax liabilities arising from fair value adjustment on:		
Intangible assets		(4,950)
		25,050
	(Note vi)	175,050

Notes:

(i) Pursuant to the Sale and Purchase Agreement, the cash consideration of the Acquisition of HK$212,500,000 to be paid by internal resources of the Group and/or possible fund raising exercise. There will have a cash shortfall as if the Acquisition had been completed as at 30 September 2018, the Group expected that the cash consideration will be funded by internal resources of the Group and/or possible fund raising exercise.

(ii) For the purpose of the Unaudited Pro Forma Financial Information, the Retained Consideration Payable as at the assumed date of completion of the Acquisition was estimated based on a professional valuation conducted by an independent qualified professional valuer, Peak Vision Appraisals Limited, by using discounted cash flow method. A discount rate ranging from 9.59% to 9.97% is used to determine the fair value of the Retained Consideration Payable.

	Fair value at 30 September 2018	**Face value**
	HK$'000	*HK$'000*
Retained Consideration Payable	30,070	37,500

Upon completion of the Acquisition, the Directors will engage an independent qualified professional valuer to carry out the valuation of the Retained Consideration Payable as at the date of completion of the Acquisition, based on the facts and circumstances existing as at that date. The valuation of the Retained Consideration Payable may be significantly different from the pro forma valuation used for the purpose of preparation of the Unaudited Proforma Financial Information.

(iii) The fair value of the Other Financial Asset – Profit Guarantee amounting to HK$5,557,000 is prepared by the Directors by reference to a professional valuation conducted by Peak Vision Appraisals Limited which is based on Monte Carlo simulation and taking into consideration of whether the Profit Guarantee is probable to meet. A discount rate ranging from 9.59% to 9.97% is used to determine the fair value of the Other Financial Asset – Profit Guarantee.

Upon completion of the Acquisition, the Directors will engage an independent qualified professional valuer to carry out the valuation of the Other Financial Asset – Profit Guarantee as at the date of completion of the Acquisition, based on the facts and circumstances existing as at that date. The valuation of the Other Financial Asset – Profit Guarantee may be significantly different from the pro forma valuation used for the purpose of preparation of the Unaudited Proforma Financial Information.

(iv) Pursuant to the Sale and Purchase Agreement, each of the Vendors, jointly and severally, irrevocable warrants and guarantees to the Company that the audited consolidated tangible net asset value of the Target Group as at the Completion Date (the "Target Group Consolidated NAV") shall not be less than HK$150,000,000 (the "Guaranteed NAV"). If the Target Group Consolidated NAV is less than the Guaranteed NAV, the Vendors shall make up the shortfall between the Target Group Consolidated NAV and HK$150,000,000 on or before the completion of the Acquisition. According to Appendix II to this Circular, the Target Group Consolidated NAV is less than HK$150,000,000. As a result HK$11,209,000 shall be paid by the Vendors in cash to the Company in this regard.

(v) Intangible assets represent the Type 1, Type 2, Type 4 and Type 9 regulated activities licenses (the "Licenses") under Securities and Futures Commission ("SFC"). The directors of the Company have determined the fair value of the intangible assets as at 31 December 2018 with reference to the preliminary assessment issued by Peak Vision Appraisals Limited. The valuation of the fair value of intangible assets is based on market approach, comparable transaction method.

(vi) For the purpose of the Unaudited Pro Forma Financial Information of the Group, fair values of the identifiable assets and liabilities of the Target Group as at 31 December 2018 were used to determine the gain on bargain purchase or goodwill arising from the Acquisition. Upon completion of the Acquisition, the fair values of the net assets of the Target Group as at the Completion Date will be used to determine the actual amount of the goodwill arising from the Acquisition. Such difference between the actual amount and the valuation as at 31 December 2018 may be significant.

The fair value of the identifiable net assets of the Target Group and other financial asset – profit guarantee at the completion date of the Acquisition may substantially be different from the fair values used in the preparation of the Unaudited Pro Forma Financial Information, the final amounts of the identifiable net assets (including intangible assets), other financial assets – profit guarantee and goodwill to be recognized in connection with the Acquisition may be different from the amounts presented above.

In the preparation of this Unaudited Pro Forma Financial Information of the Enlarged Group, the Directors of the Company had performed an impairment assessment of the goodwill in accordance with Hong Kong Accounting Standard 36 Impairment of Assets ("HKAS 36"). Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss will be recognized. An impairment loss recognized for goodwill will not be reversed in a subsequent period. Based on the assessment results, the Directors concluded that there is no impairment in the value of the goodwill.

The Directors of the Company confirmed that they will adopt consistent approach to assess impairment of goodwill in subsequent reporting periods in accordance with the requirements of HKAS 36 and will disclose in the Group's annual report the basis and assumptions adopted by the directors of the Company in the impairment assessment in accordance with the disclosure requirements in HKAS 36.

6. Reference is made to the announcement of the Company dated 28 March 2019. The Company and the Target Company as the joint tenants accepted an offer letter issued by China Resources as the landlord on 28 March 2019 and further entered into a formal lease agreement with China Resources on 23 April 2019 in respect of the lease of a property for a fixed term of three years commencing from 1 April 2019 and expiring on 31 March 2022 for fulfilling the condition (ix) under the section headed "The Sale and Purchase Agreement – Conditions Precedent" as set out in the "Letter from the Board" to this circular.

   The adjustment represents recognition of the right-of-use asset and the lease liability for the Lease Agreement under Hong Kong Financial Reporting Standard 16 Lease ("HKFRS16") which is effective for annual periods beginning on or after 1 January 2019. The calculation of impact of HKFRS 16 for the Lease Agreement has been prepared for illustrative purposes only and because of its hypothetical nature, the actual amounts of right-of-use asset and the lease liability at the date of completion may be different from the values used in the preparation of the Unaudited Pro Forma Financial Information.

7. The adjustment represents the payment for estimated acquisition-related cost, including expenses charged by legal, accounting and other professional parties, totaling HK$900,000 to be incurred subsequent to 30 September 2018.

8. No adjustment has been made to reflect any trading results or other transaction of the Group entered into subsequent to 30 September 2018.

REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

The following is the text of a report received from the reporting accountant, Lau & Au Yeung C.P.A. Limited, in respect of the Group's unaudited pro forma financial information for the purpose in this circular.

LAU
AU YEUNG
劉歐陽會計師事務所有限公司
LAU & AU YEUNG C.P.A. LIMITED

21/F., Tai Yau Building
181 Johnston Road
Wanchai, Hong Kong

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

TO THE DIRECTORS OF NOBLE CENTURY INVESTMENT HOLDINGS LIMITED

We have completed our assurance engagement to report on the compilation of pro forma financial information of Noble Century Investment Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The pro forma financial information consists of the unaudited pro forma consolidated statement of assets and liabilities as at 30 September 2018 and related notes as set out in Appendix IV to the circular dated 8 May 2019 (the "Circular") issued by the Company. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described in Appendix IV of the Circular.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed acquisition of the Target Company (the "Proposed Acquisition") on the Group's financial positions as at 30 September 2018 as if the Proposed Acquisition had taken place at 30 September 2018. As part of this process, information about the Group's financial position as at 30 September 2018 has been extracted by the Directors from the interim report of the Group for the six months ended 30 September 2018, on which no audit or review report has been published.

Directors' Responsibilities for the Pro Forma Financial Information

The Directors are responsible for compiling the pro forma financial information in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms That Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by Rule 4.29(7) of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with Rule 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 September 2018 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

– the related pro forma adjustments give appropriate effect to those criteria; and

– the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to Rule 4.29(1) of the Listing Rules.

Lau & Au Yeung C.P.A. Limited
Certified Public Accountants
Hong Kong, 8 May 2019

Franklin Lau Shiu Wai
Practising Certificate Number: P01886

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Director's and chief executive's interests in the Company or its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executives of the Company and their associates in the shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors or chief executive of the Company were deemed or taken to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be recorded in the register therein, or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules ("**Model Code**") were as follows:

Long positions in the Shares and underlying Shares of the Company:

Name of Director	Number of Share(s) held	Capacity	Approximate percentage of total issued share capital
Ms. Zheng Juhua	834,767,140 (Long position)	Interest of controlled corporation *(Note)*	22.68%

Note: 834,767,140 Shares are held by Superb Smart Limited, a company wholly and beneficially owned by Ms. Zheng Juhua, the executive Director and chairman of the Company. Accordingly, Ms. Zheng Juhua is deemed to be interested in the relevant Shares under the SFO.

Save that Ms. Zheng Juhua is a director of Superb Smart Limited, as at the Latest Practicable Date, none of the Directors is a director or employee of a company which has interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Substantial Shareholders and other persons' interests in Shares and underlying Shares

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO, and so far as is known to the Directors or chief executive of the Company, the following persons (other than a Director or a chief executive of the Company) had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group and the amount of each of such person's interests in such securities, together with particulars of any options in respect of such capital:

Name of Shareholders	Number of Share(s) held	Capacity	Approximately percentage of the Company's issued share capital
Superb Smart Limited *(Note 1)*	834,767,140 (Long position)	Beneficial owner	22.68%
Sea Venture Investments Limited *(Note 2)*	304,864,860 (Long position) 304,864,860 (Short position)	Beneficial owner	8.28%
CCBI Investments Limited *(Note 2)*	304,864,860 (Long position) 304,864,860 (Short position)	Interest of controlled corporations	8.28%

Name of Shareholders	Number of Share(s) held	Capacity	Approximately percentage of the Company's issued share capital
CCB International (Holdings) Limited (Note 2)	304,864,860 (Long position) 304,864,860 (Short position)	Interest of controlled corporations	8.28%
CCB Financial Holdings Limited (Note 2)	304,864,860 (Long position) 304,864,860 (Short position)	Interest of controlled corporations	8.28%
CCB International Group Holdings Limited (Note 2)	304,864,860 (Long position) 304,864,860 (Short position)	Interest of controlled corporations	8.28%
China Construction Bank Corporation (Note 2)	304,864,860 (Long position) 304,864,860 (Short position)	Interest of controlled corporations	8.28%
Central Huijin Investment Limited (Note 2)	304,864,860 (Long position) 304,864,860 (Short position)	Interest of controlled corporations	8.28%
Dragon Mind Holdings Limited (Note 3)	341,132,000 (Long position)	Beneficial owner	9.26%
Managecorp Limited (Note 3)	341,132,000 (Long position)	Trustee	9.26%
Zhang Lirui (Note 3)	341,132,000 (Long position)	Founder of a discretionary trust	9.26%

Notes:

1. 834,767,140 Shares were held by Superb Smart Limited, a company wholly and beneficially owned by Ms. Zheng Juhua, the executive Director and chairman of the Company.

2. Sea Venture Limited, which is wholly owned by CCBI Investments Limited, was granted a put option for 304,864,860 Shares. CCBI Investments Limited is wholly owned by CCB International (Holdings) Limited, which is in turn wholly owned by CCB Financial Holdings Limited. CCB Financial Holdings Limited is wholly owned by CCB International Group Holdings Limited, which is in turn wholly owned by China Construction Bank Corporation. China Construction Bank Corporation is owned as to 57.11% by Central Huijin Investment Limited.

3. 341,132,000 Shares were held by Dragon Mind Holdings Limited, which is wholly-owned by a discretionary trust of which Mr. Zhang Lirui is the settlor and Managecorp Limited is a trustee.

Save as disclosed above and so far as is known to the Directors or chief executive of the Company, there is no person (other than a Director or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital, including options in respect of such capital, carrying rights to vote in all circumstances at general meeting of any other member of the Group.

3. COMPETING INTERESTS

As at the Latest Practicable Date, the following Directors had an interest in business which competes or is likely to compete, either directly or indirectly, with the Group's business, particulars of which are set out below:

Director	Name of company	Nature of business	Nature of interests
Mr. Chan Chi Yuen	Royal Century Resources Holdings Limited ("**Royal Century**") and its subsidiaries	Money lending business	Chairman and executive director of Royal Century
Mr. Chi Chi Hung, Kenneth	DeTai New Energy Group Limited ("**DeTai**") and its subsidiaries	Money lending business	Executive director of DeTai

As the Board is independent to the boards of the above mentioned companies, the Group is capable of carrying on its business independently of, and at arm's length, from the business of those companies.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their respective associates had any interest in business which competes or is likely to compete, either directly or indirectly, with the business of the Group, other than those businesses where the Directors were appointed as directors to represent the interests of the Company and/or the Group.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into a service contract with the Company or any of its subsidiaries or associated companies which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

5. INTERESTS IN ASSETS, CONTRACTS OR ARRANGEMENT

As at the Latest Practicable Date, none of the Directors or proposed Directors or experts (as named below) has, or had had, any direct or indirect interest in any assets which had been or are proposed to be acquired, disposed of by or leased to, any member of the Group since 31 March 2018, being the date to which the latest published audited financial statements of the Company were made up.

None of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which was significant in relation to the business of the Group.

6. MATERIAL CONTRACTS

Set out below are summary of the principal contents of the material contracts (not being contracts entered into in the ordinary course of business) entered into by any members of the Group within the two years immediately preceding the Latest Practicable Date:

(a) a subscription agreement dated 19 December 2017 entered into between the Group and an independent third party, pursuant to which, the Group invested HK$30.0 million in an investment fund which set up for the purpose of investment in a finance leasing company in the PRC;

(b) a disposal agreement dated 20 July 2018 entered into between the Group and an independent third party, pursuant to which, the Group (i) disposed of its 100% equity interest in Empower King Limited ("**Empower King**"), an indirect wholly-owned subsidiary of the Company which holds an investment property in Hong Kong; and (ii) assigned the shareholder's loan of approximately HK$11.4 million in full owing from Empower King to the Group for a cash consideration of HK$12.5 million;

(c) a buy back agreement dated 24 September 2018 entered into between Noble Century Trading Co., Limited ("**Noble Century Trading**"), being an indirect wholly-owned subsidiary of the Company, and Mr. Liu Wenping ("**Mr. Liu**"), being a director and owner of 25% equity interest in Shenzhen Qianhai Jiulongfu Industrial Co., Ltd ("**Qianhai Jiulongfu**"), pursuant to which, Noble Century Trading agreed to sell and Mr. Liu agreed to buy back 75% equity interest in Qianhai Jiulongfu, which was principally engaged in the trading of electronic products, at a consideration of RMB 31,117,000 (equivalent to approximately HK$36,095,720);

(d) the Sale and Purchase Agreement;

(e) the Supplemental Agreement;

(f) an offer letter dated 28 March 2019 issued by China Resources as the landlord and accepted by the Target Company and the Company as the joint tenants in respect of the lease of the China Resources Building Property at a monthly rent of HK$761,970 (exclusive of management fees and government rates) for a fixed term of three years commencing from 1 April 2019 and expiring on 31 March 2022;

(g) a lease agreement dated 23 April 2019 entered into between China Resources as the landlord and the Target Company and the Company as the joint tenants in respect of the lease of the China Resources Building Property at a monthly rent of HK$761,970 (exclusive of management fees and government rates) for a fixed term of three years commencing from 1 April 2019 and expiring on 31 March 2022; and

(h) a placing agreement dated 12 April 2019 entered into between the Company as the issuer and Mayfair & Ayers Financial Group Limited as a placing agent for the placing of bonds, on a best effort basis, to procure placees who are not a connected person of the Company to subscribe for the bonds of an aggregate principal amount of up to HK$50,000,000.

7. LITIGATION

As at the Latest Practicable Date, there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

8. QUALIFICATION AND CONSENT OF EXPERTS

The following sets out the qualification of the experts who have given opinions, letter or advice included in this circular (the "**Experts**"):

Name	Qualification
Peak Vision Appraisals Limited	Professional valuer
Mazars CPA Limited	Certified public accountants
Lau & Au Yeung C.P.A. Limited	Certified public accountants

Each of the Experts has given and has not withdrawn its written consent(s) to the issue of this circular with the inclusion herein of its letter or its name in the form and context in which it is included.

As at the Latest Practicable Date, each of the Experts had no shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, each of the Experts had no interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2018, being the date to which the latest published audited accounts of the Company were made up.

9. GENERAL

(a) The company secretary of the Company is Ms. Chan Wai Fung who is an associate member of the Hong Kong Institute of Certified Public Accountants.

(b) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

(c) The head office and principal place of business of the Company in Hong Kong is situated at Suite 2202, 22/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

(d) The Company's share registrar and transfer office in Hong Kong is Tricor Tengis Limited, Level 22, Hopewell Centre,183 Queen's Road East, Hong Kong.

(e) In the event of any inconsistency, the English texts of this circular and the accompanying form of proxy shall prevail over their respective Chinese texts.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the principal place of business of the Company in Hong Kong at Suite 2202, 22/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong during normal business hours from 9:30 a.m. to 5:30 p.m. on any weekday, except public holidays, between the period from the date of this circular up to and including the date of the SGM.

(a) the memorandum of association and bye-laws of the Company;

(b) the letter from the Board, the text of which is set out on pages 11 to 33 of this circular;

(c) the interim report of the Company for the six months ended 30 September 2018;

(d) the annual reports of the Company for the three years ended 31 March 2018;

(e) the accountants' report of the Target Group, the text of which is set out in Appendix II to this circular;

(f) the report on the unaudited pro forma financial information on the Enlarged Group, the text of which is set out in Appendix IV to this circular;

(g) the material contracts referred to in the paragraph headed "6. Material Contracts" in this appendix;

(h) the written consent(s) referred to in paragraph headed "8. Qualification and Consent of the Experts" of this appendix; and

(i) this circular.

NOBLE CENTURY INVESTMENT HOLDINGS LIMITED
仁瑞投資控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 2322)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HERE BY GIVEN that a special general meeting (the "**SGM**") of Noble Century Investment Holdings Limited (the "**Company**") will be held at Suite 2202, 22/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on Friday, 31 May 2019 at 11:00 a.m., to consider and, if thought fit, pass with or without amendments the following resolutions of the Company:

ORDINARY RESOLUTION

1. "**THAT**:

    (a) the sale and purchase agreement dated 7 January 2019 (as amended and supplemented by the supplemental agreement dated 20 March 2019) (the "**Sale and Purchase Agreement**") entered into between the Company (as purchaser) and Mr. Au Kwong Hoi, Mr. Guo Keqin and Harmony Happy Limited (as vendors) in relation to the acquisition of the entire equity interest of ChaoShang Financial Holding Limited at a consideration of HK$250,000,000, and the transactions contemplated thereunder be and are hereby confirmed, approved and ratified (a copy of the Sale and Purchase Agreement has been tabled at the SGM for the purpose of identification);

    (b) any one or more of the directors of the Company be and is hereby authorised to do all such acts and things, to sign and execute all such documents for and on behalf of the Company as he/she/they may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Sale and Purchase Agreement and the transactions contemplated thereunder, and to make and agree to make such variations, amendments or waiver of the terms of the Sale and Purchase Agreement as he/she/they may in his/her/their discretion consider to be appropriate, necessary or desirable and in the interests of the Company and its shareholders as a whole."

SPECIAL RESOLUTION

2. "**THAT** subject to and conditional upon the passing of ordinary resolution numbered 1 as set out in this notice convening the SGM and any necessary approval of the Registrar of Companies in Bermuda in relation to the proposed change of the name of the Company being obtained, the change of name of the Company from "Noble Century Investment Holdings Limited" to "Hong Kong ChaoShang Group Limited", and the adoption of "香港潮商集團有限公司" as the secondary name in Chinese of the Company to replace its existing secondary name in Chinese "仁瑞投資控股有限公司" (the "**Change of the Company Name**") with effect from the date of entry of the new primary name and secondary name on the register maintained by the Registrar of Companies in Bermuda be and is hereby approved, and any one director or officer of the Company be and is hereby authorised to do all such acts, deeds and things and execute all such documents as he may consider necessary or expedient to give effect to the Change of the Company Name and the transactions contemplated thereunder."

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

Hong Kong, 8 May 2019

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business in Hong Kong:
Suite 2202, 22/F.
China Resources Building
26 Harbour Road
Wanchai
Hong Kong

Notes:

(1) The resolutions put to the vote at the SGM will be taken by poll except where the chairman of the SGM, in good faith, decides to allow a resolution which relates to purely a procedural or administrative matter to be voted on by a show of hands in accordance with the Listing Rules and the results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.

(2) A member of the Company ("**Shareholder**") entitled to attend and vote at the SGM convened by the above notice is entitled to appoint one or, if such Shareholder is a holder of more than one share, more proxies to attend and vote in his stead. A proxy need not be a Shareholder.

(3) For determining the entitlement to attend and vote at the above SGM, the register of members of the Company will be closed from Wednesday, 29 May 2019 to Friday, 31 May 2019, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the SGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 28 May 2019.

(4) In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, at the Company's share registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the SGM or any adjournment thereof, should he/she/it so wish and in such event, the form of proxy shall be deemed to be revoked.

(5) In the case of joint holders of share(s) of the Company, any one of such holders may vote at the SGM, either personally or by proxy, in respect of such share(s) as if he/she/it was solely entitled thereto, but if more than one of such joint holders are present at the SGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share(s) shall alone be entitled to vote in respect thereof.

(6) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.

(7) Completion and delivery of the form of proxy will not preclude a Shareholder from attending and voting in person at the SGM if the Shareholder so desires and in such event, the instrument appointing a proxy shall be deemed to be revoked.