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英皇證券集團有限公司*
Emperor Capital Group Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 717)

**DISCLOSEABLE TRANSACTION
RELATING TO THE PROVISION OF LOAN FACILITY**

Reference is made to the announcement of the Company dated 11 August 2011.

The Board announces that on 27 September 2012, the Lender, an indirect wholly-owned subsidiary of the Company, and the Borrower entered into the Supplemental Loan Agreement, pursuant to which the parties agreed to, among other things, extend the repayment date of the First Loan Facility from 11 August 2012 to 11 January 2013 retrospectively and increase the loan facility from HK\$65,000,000 to HK\$145,000,000.

The Supplemental Loan Agreement constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules on the basis that the relevant percentage ratio(s) exceed 5% but are under 25% and it is subject to the announcement requirement as set out in the Listing Rules, but is exempted from shareholders' approval requirement under the Listing Rules.

Reference is made to the announcement of the Company dated 11 August 2011 in relation to granting of the First Loan Facility amounting to HK\$65,000,000 under the Loan Agreement.

The Board announces that on 27 September 2012, the Lender, an indirect wholly-owned subsidiary of the Company, and the Borrower entered into the Supplemental Loan Agreement, pursuant to which the parties agreed to, among other things, extend the repayment date of the First Loan Facility from 11 August 2012 to 11 January 2013 retrospectively and increase the loan facility from HK\$65,000,000 to HK\$145,000,000.

* For identification purpose only

THE SUPPLEMENTAL LOAN AGREEMENT

Date: 27 September 2012

Lender: Emperor Finance, an indirect wholly-owned subsidiary of the Company

Borrower: the Borrower

The Borrower is a client of the Group and it is a company incorporated in the British Virgin Islands with its principal business as investment holding. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Borrower and its ultimate beneficial owner are independent third parties not connected with the Company or connected persons of the Company.

Principal terms of the Supplemental Loan Agreement

On 27 September 2012, the Lender entered into the Supplemental Loan Agreement with the Borrower under which the parties agreed to amend the Loan Agreement to the following effect:

Amount of the Loan Facility: HK\$145,000,000

Interest: 18% per annum

Repayment Date: 11 January 2013

Securities for the Loan Facility: the Loan Facility is secured by:

- (a) an all monies second legal charge provided by the Borrower in favour of the Lender over the property owned by the Borrower to secure the Borrower’s liability and obligations under the Supplemental Loan Agreement;
- (b) a supplemental share charge executed by the sole shareholder of the Borrower in favour of the Lender in respect of all the shares and interests of the Borrower;
- (c) a supplemental share charge executed by the Borrower in favour of the Lender in respect of all cash, stocks/shares and proceeds payable to the Borrower under the trading account(s) maintained by the Borrower with Emperor Securities, and
- (d) personal guarantees executed by the ultimate beneficial owner of the Borrower and the spouse of the beneficial owner in favour of the Lender as a continuing guarantee and indemnity.

Save for those terms modified by the Supplemental Loan Agreement as disclosed above, there is no material change to the terms of the Loan Agreement. All other terms (including the undertakings, representations and warranties provided by the Borrower) of the Loan Agreement shall remain unchanged and all securities and charges provided under the Loan Agreement shall remain valid and enforceable.

The terms of the Supplemental Loan Agreement were arrived at after arm's length negotiations between the Lender and the Borrower. The Lender is a registered money lender holding a valid money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and is principally engaged in the business of money lending services. The provision of the Loan Facility is a transaction carried out as part of the ordinary and usual course of business activities of the Group. The Loan Facility will be funded by internal resources of the Group.

REASONS FOR ENTERING INTO THE SUPPLEMENTAL LOAN AGREEMENT

The principal business activity of the Company is investment holding and its subsidiaries are principally engaging in the provision of financial services in Hong Kong, including (i) brokerage services for securities, futures and options traded on the exchanges in Hong Kong, the United States, Japan and the United Kingdom, as well as wealth management and asset management services; (ii) provision of margin and IPO financings as well as loans and advances such as personal money lending and second mortgage loan; (iii) placing and underwriting services; and (iv) corporate finance advisory.

When considering the Extension and the increase in loan facility to the Borrower, the Directors have reviewed and assessed the financial information in respect of the security for the Loan Facility, which includes, among other things, the market value of the share collaterals, valuation of the mortgaged property and the creditability of the guarantors in respect of the Loan Facility. The Directors were of the view that the Loan Facility is secured by sufficient value of security and the provision of the Loan Facility to the Borrower will continue to result in an attractive interest return to the Group. As such, the Directors considered that the Extension and the increase in loan facility under the Supplemental Loan Agreement are on normal commercial terms and the terms of the Supplemental Loan Agreement were fair and reasonable and in the interests of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

The Supplemental Loan Agreement constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules on the basis that the relevant percentage ratio(s) exceed 5% but are under 25% and it is subject to the announcement requirement as set out in the Listing Rules but is exempted from shareholders' approval requirement under the Listing Rules.

DEFINITIONS

“Borrower”	the borrower under the Loan Agreement and the Supplemental Loan Agreement
“Company”	Emperor Capital Group Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Extension”	the extension of the repayment date of the First Loan Facility up to 11 January 2013 pursuant to the Supplemental Loan Agreement
“Emperor Securities”	Emperor Securities Limited, a licensed corporation to carry out business in type 1 (dealings in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong)
“First Loan Facility”	the revolving secured loan facility in the amount of HK\$65,000,000 granted by the Lender to the Borrower pursuant to the terms of the Loan Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Lender” or “Emperor Finance”	Emperor Finance Limited (formerly known as Emperor Credit Limited), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange

“Loan Agreement”	the loan agreement dated 11 August 2011 entered into between the Lender and the Borrower relating to the granting of the First Loan Facility
“Loan Facility”	the secured loan facility in the amount of HK\$145,000,000 granted by the Lender to the Borrower pursuant to the terms of the Supplemental Loan Agreement
“percentage ratio(s)”	percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction
“Share(s)”	ordinary shares of HK\$0.01 each in the issued share capital of the Company
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Loan Agreement”	the supplemental loan agreement dated 27 September 2012 entered into between the Lender and the Borrower for varying certain terms under the Loan Agreement
“%”	per cent

By order of the Board of
Emperor Capital Group Limited
Daisy Yeung
Managing Director

Hong Kong, 27 September 2012

As at the date of this announcement, the board of Directors comprises:

Executive Directors:

Ms. Daisy Yeung
Mr. Chan Shek Wah
Ms. Choi Suk Hing, Louisa
Ms. Pearl Chan

Independent Non-Executive Directors:

Mr. Kwok Chi Sun, Vincent
Mr. Cheng Wing Keung, Raymond
Mr. Chu Kar Wing