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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)

**CONNECTED TRANSACTION
IN RELATION TO
THE UNDERWRITING AGREEMENT**

The Board announces that Emperor Securities, an indirect wholly-owned subsidiary of the Company entered into the Underwriting Agreement on 15 January 2018 with, among others, Ulferts International in relation to the underwriting of the Offer Shares of Ulferts International.

Emperor Securities is one of the Underwriters in the Share Offer with an underwriting commitment of 178,000,000 Ulferts Shares. The 178,000,000 Ulferts Shares underwritten by Emperor Securities represent 22.25% of the total issued shares of Ulferts International upon Listing. Based on the preliminary indicative price range per Ulferts Share under the Share Offer of between HK\$0.38 and HK\$0.62 and subject to the terms and conditions of the Underwriting Agreement, the maximum underwriting commitment of Emperor Securities is HK\$110.36 million and Emperor Securities is expected to receive up to a maximum of approximately HK\$3.31 million commission from Ulferts International.

Under Chapter 14A of the Listing Rules, Ulferts International is a connected person of the Company and accordingly, the transactions contemplated under the Underwriting Agreement will constitute a connected transaction of the Company.

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Underwriting Agreement are more than 0.1% but less than 5%, the Underwriting Agreement is subject to reporting and announcement requirements, but exempt from the approval of Shareholders under Chapter 14A of the Listing Rules.

** for identification purpose only*

THE UNDERWRITING AGREEMENT

The Board announces that Emperor Securities, an indirect wholly-owned subsidiary of the Company entered into the Underwriting Agreement on 15 January 2018 with, among others, Ulferts International in relation to the underwriting of the Offer Shares of Ulferts International.

Major terms of the Underwriting Agreement

Pursuant to the Underwriting Agreement, Ulferts International is offering the Offer Shares for subscription pursuant to the Share Offer on and subject to the terms and conditions of the Prospectus and the application forms relating to the Public Offer at the Offer Price.

Subject to, amongst other matters, the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Ulferts Shares in issue and to be issued, and to certain other conditions set out in the Underwriting Agreement (including, amongst others, Emperor Securities as the lead manager (on behalf of the Underwriters) and Ulferts International agreeing on the Offer Price), the Underwriters have severally agreed to subscribe for or procure subscribers to subscribe for, their respective applicable proportions of the Offer Shares being offered but not taken up under the Share Offer on the terms and conditions of the Prospectus, the application forms relating thereto and the Underwriting Agreement.

Emperor Securities is one of the Underwriters in the Share Offer with an underwriting commitment of 178,000,000 Ulferts Shares. The 178,000,000 Ulferts Shares underwritten by Emperor Securities represent 22.25% of the total issued shares of Ulferts International upon Listing. Based on the preliminary indicative price range per Ulferts Share under the Share Offer of between HK\$0.38 and HK\$0.62 and subject to the terms and conditions of the Underwriting Agreement, the maximum underwriting commitment of Emperor Securities is HK\$110.36 million.

Termination

The obligations of the Underwriters to subscribe for or procure subscribers to subscribe for the Offer Shares not taken up under the Share Offer, are subject to termination by notice in writing from Emperor Securities (for itself and on behalf of the Underwriters) if the events as set out in the Prospectus under the section of “UNDERWRITING - Grounds for termination” shall occur prior to 8:00 a.m. on 29 January 2018.

Commission

The Underwriters will receive a commission of 3% on the aggregate Offer Price for the issue of all the Offer Shares. Based on the preliminary indicative price range per Ulferts Share under the Share Offer of between HK\$0.38 and HK\$0.62 and subject to the terms and conditions of the Underwriting Agreement, Emperor Securities is expected to receive up to a maximum of approximately HK\$3.31 million commission from Ulferts International.

INFORMATION RELATING TO ULFERTS INTERNATIONAL

Ulferts International is an investment company and its subsidiaries are principally engaged in retailing of furniture in Hong Kong under the trade name “Ulferts”. Based on the consolidated

balance sheet of Ulferts International and its subsidiaries as disclosed in the Prospectus, the net asset value of Ulferts International was approximately HK\$69.1 million as at 31 August 2017. The net profits attributable to Ulferts International for the two years ended 31 March 2016 and 31 March 2017 as disclosed in the Prospectus is as follows:

	For the year ended 31 March	
	2016	2017
	HKS'000	HKS'000
Profit before taxation	27,004	35,572
Profit after taxation	22,353	30,145

REASONS AND BENEFITS OF THE UNDERWRITING AGREEMENT

The Company is an investment company and its subsidiaries are principally engaged in the provision of financial services in Hong Kong, including (i) commercial and personal lending as well as margin and initial public offering financing; (ii) brokerage, wealth management and asset management; (iii) placing and underwriting services for listed issuers; and (iv) corporate finance advisory services. The Directors (including the independent non-executive Directors) consider that the entering into of the Underwriting Agreement falls within the business scopes of Emperor Securities and it is in the best interests of the Group and its shareholders to enter into the Underwriting Agreement as it is on normal commercial terms which are fair and reasonable. The underwriting commission to be received under the Underwriting Agreement will contribute positively to the Group's income.

CONNECTED TRANSACTION

Emperor Securities is an indirect wholly-owned subsidiary of the Company which is indirectly owned as to 41.31% by AY Trust. Ulferts International is indirectly wholly-owned by AY Trust on the date of the Underwriting Agreement; and it will be indirectly owned as to 75% by AY Trust immediately after completion of the Share Offer. As such, under Chapter 14A of the Listing Rules, Ulferts International is a connected person of the Company and the transactions contemplated under the Underwriting Agreement will constitute a connected transaction of the Company. As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Underwriting Agreement are more than 0.1% but less than 5%, the Underwriting Agreement is subject to reporting and announcement requirements, but exempted from the approval of Shareholders under Chapter 14A of the Listing Rules.

Ms. Daisy Yeung, the Managing Director of the Company, did abstain from voting on the relevant board resolution of the Company in view of her deemed interests in the transaction by virtue of being one of the eligible beneficiaries of AY Trust.

TERMS USED IN THIS ANNOUNCEMENT

“AY Trust”	The Albert Yeung Discretionary Trust, a discretionary trust set up by Dr. Yeung Sau Shing, Albert
“Board” or “Directors”	the directors of the Company
“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
“Emperor Securities”	Emperor Securities Limited, a licensed corporation under the SFO to carry on type 1 (dealing in securities) and type 4 (advising on securities) regulated activities
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing”	the proposed listing of Ulferts Shares on the main board of the Stock Exchange
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Offer Price”	the final offer price of each Ulferts Share (exclusive of brokerage fee, Stock Exchange trading fee and SFC transaction levy) in the Share Offer
“Offer Shares”	together the Public Offer Shares and the Placing Shares
“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
“Placing”	the placing of the Placing Shares to certain professional, institutional and other investors at the Offer Price subject to the terms and conditions to be stated in the Prospectus
“Placing Shares”	the 180,000,000 Offer Shares being initially offered by Ulferts International at the Offer Price pursuant to the Placing as set out in the Prospectus

“Placing Underwriters”	the underwriters of the Placing as set out in the Prospectus, including Emperor Securities
“Prospectus”	the prospectus to be dated 16 January 2018 and issued by Ulferts International in connection with the Share Offer
“Public Offer”	the offering for subscription of the Public Offer Shares for cash at the Offer Price by way of a public offer in Hong Kong on and subject to the terms and conditions stated in the Prospectus and in the application forms relating thereto
“Public Offer Shares”	the 20,000,000 Ulferts Shares being offered by Ulferts International for subscription at the Offer Price pursuant to the Public Offer as set out in the Prospectus
“Public Offer Underwriters”	the underwriters of the Public Offer as set out in the Prospectus, including Emperor Securities
“SFC”	The Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571) of the laws of Hong Kong
“Share(s)”	ordinary shares of HK\$0.01 each in the issued share capital of the Company
“Share Offer”	the Public Offer and the Placing
“Shareholders”	holders of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Ulferts International”	Ulferts International Limited, a company incorporated in Hong Kong with limited liability
“Ulferts Shares”	the ordinary share(s) in the share capital of Ulferts International
“Underwriters”	the Public Offer Underwriters and the Placing Underwriters
“Underwriting Agreement”	the conditional underwriting agreement dated 15 January 2018 entered into between, among others, Ulferts International and the Underwriters in relation to underwriting of the Offer Shares

“0%”

per cent

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

Hong Kong, 15 January 2018

As at the date of this announcement, the Board comprises:

Executive Directors:

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

Independent Non-Executive Directors:

Mr. Chu Kar Wing
Mr. Poon Yan Wai
Ms. Wan Choi Ha