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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 AND EXTENSION
OF LOAN FACILITIES

The Board announces that on 4 November 2016, the Lender, an indirect wholly-owned subsidiary of the Company, entered into:

- (i) the 2016 Loan Agreement (2) with Borrower (III), under which the Lender has agreed to provide a loan facility of up to HK\$103,000,000 to Borrower (III);
- (ii) the Supplemental Loan Agreement (1) with Borrower (II) to further extend the repayment date of the 2014 Loan Agreement to 31 March 2017; and
- (iii) the Supplemental Loan Agreement (2) with Borrower (I) to further extend the repayment date of the 2016 Loan Agreement to 31 March 2017.

Borrower (I) is an individual as well as the sole director and sole shareholder of Borrower (II). Borrower (I) is also a director and the controlling shareholder (as defined under the Listing Rules) of Borrower (III). The Borrowers are associated with one another under the Listing Rules and the transactions under the Loan Agreements should be aggregated for disclosure in complying with Rule 14.22 of the Listing Rules.

As the relevant percentage ratios (as defined under the Listing Rules) in respect of the aggregated interest income from the Borrowers to the Lender and the maximum amount of financial assistance granted to them pursuant to the Loan Agreements within the period of 12 months immediately preceding and up to the date of the New Agreements exceed 5% but are under 25%, this series of transactions constitutes a discloseable transaction of the Company and is therefore subject to the announcement requirement as set out in the Listing Rules but is exempt from Shareholders' approval requirement under the Listing Rules.

** for identification purposes only*

BACKGROUND

Reference is made to the announcements of the Company dated 11 December 2014, 16 June 2016 and 26 July 2016 in relation to, among others, (i) the provision of a loan facility of up to HK\$200,000,000 by the Lender to Borrower (II) pursuant to the 2014 Loan Agreement and the extension of the repayment date of the 2014 Loan Agreement to 9 October 2016; and (ii) the provision of a loan facility of up to HK\$170,000,000 by the Lender to Borrower (I) pursuant to the 2016 Loan Agreement (1), in which the repayment will be within 3 months from the date of first drawdown (i.e. before 16 September 2016).

As at the date of this announcement, an amount of approximately HK\$177.4 million under the 2014 Loan Agreement had been drawdown. The loan facility under the 2016 Loan Agreement (1) was fully drawdown by Borrower (I) and approximately of HK\$105.2 million remains outstanding as at the date of this announcement.

Within 12 months preceding the date of the New Agreements, the Lender has rolled over the 2013 Loan Agreement on 16 June 2016. As at the date of this announcement, the maximum amount of HK\$10,000,000 under the 2013 Loan Agreement has been drawdown and remains outstanding and shall be repaid on or before 29 April 2017.

THE 2016 LOAN AGREEMENT (2)

The Board announces that on 4 November 2016, the Lender, an indirect wholly-owned subsidiary of the Company, entered into the 2016 Loan Agreement (2) with Borrower (III), under which the Lender has agreed to provide a loan facility of up to HK\$103,000,000 to Borrower (III).

Parties

Lender: Emperor Finance Limited

Borrower: Borrower (III)

Principal terms of the 2016 Loan Agreement (2)

Date: 4 November 2016

Amount of the loan facility: up to HK\$103,000,000

Drawdown: available for drawdown upon signing of the 2016 Loan Agreement (2)

Repayment: a) HK\$52,000,000 together with any interest accrued thereon shall be repaid on or before 7 November 2016

b) the remaining loan amount together with any interest accrued thereon shall be repaid on or before 11 November 2016

Interest: 2.5% per month

Security for the loan facility: the 2016 Loan Agreement (2) is secured by the irrevocable and unconditional personal guarantee provided by Borrower (I) in favour of the Lender

THE SUPPLEMENTAL LOAN AGREEMENT (1) AND THE SUPPLEMENTAL LOAN AGREEMENT (2)

The Board further announces that on 4 November 2016, the Lender entered into the Supplemental Loan Agreement (1) and Supplemental Loan Agreement (2) with Borrower (II) and Borrower (I) respectively to (i) further extend the repayment date of the both 2014 Loan Agreement and 2016 Loan Agreement (1) to 31 March 2017; and (ii) fix the interest rate on both the 2014 Loan Agreement and 2016 Loan Agreement (1) at 27% per annum with effect from 1 November 2016.

INFORMATION AND RELATIONSHIP OF THE BORROWERS

Borrower (I) is an individual as well as the sole director and sole shareholder of Borrower (II). Borrower (I) is also a director and the controlling shareholder (as defined under the Listing Rules) of Borrower (III) which is a company listed on the Stock Exchange. The principal activities of Borrower (II) is investment holding and its subsidiaries are engaged in properties investment. The principal activity of Borrower (III) is investment holding and its subsidiaries are principally engaged in trading of electronic products.

In view of the above, Borrower (I), Borrower (II) and Borrower (III) are associated with one another under the Listing Rules. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Borrowers are independent third parties not connected with the Company or its connected persons.

REASONS FOR ENTERING INTO THE NEW AGREEMENTS

The principal business activity of the Company is investment holding 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 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. The provision of the loan facilities under the 2014 Loan Agreement, 2016 Loan Agreement (1) and 2016 Loan Agreement (2) are transactions carried out as part of the ordinary and usual course of business activities of the Group. The loan facilities under 2014 Loan Agreement, 2016 Loan Agreement (1) and 2016 Loan Agreement (2) was/will be funded by internal resources of the Group.

The terms of the New Agreements were arrived at after arm's length negotiations between the Lender and Borrowers. After considering (i) the securities for the New Agreements; and (ii) the expected revenue to be generated, the Directors are of the view that the terms of the New Agreements are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the relevant percentage ratios (as defined under the Listing Rules) in respect of the aggregated interest income from the Borrowers to the Lender and the maximum amount of financial assistance granted to them pursuant to the Loan Agreements within the period of 12 months immediately preceding and up to the date of the New Agreements exceed 5% but are under 25%, this series of transactions constitutes a discloseable transaction of the Company and is therefore subject to the announcement requirement as set out in the Listing Rules but is exempt from Shareholders' approval requirement under the Listing Rules.

DEFINITIONS

“2013 Loan Agreement”	the loan agreement dated 16 April 2013 entered into between the Lender and Borrower (I) relating to a loan facility of up to HK\$10,000,000 (as supplemented by relevant supplemental agreements), details of which were set out in the Company's announcement dated 11 August 2014
“2014 Loan Agreement”	the loan agreement dated 11 December 2014 entered into between the Lender and Borrower (II) relating to a loan facility of up to HK\$200,000,000 (as supplemented by relevant supplemental agreements), details of which were set out in the Company's announcement dated 11 December 2014
“2016 Loan Agreement (1)”	the loan agreement dated 16 June 2016 entered into between the Lender and Borrower (I) relating to a loan facility of up to HK\$170,000,000, details of which were set out in the Company's announcement dated 16 June 2016
“2016 Loan Agreement (2)”	the loan agreement dated 4 November 2016 entered into between the Lender and Borrower (III) relating to a loan facility of up to HK\$103,000,000
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	board of Directors of the Company
“Borrower (I)”	the borrower under the 2013 Loan Agreement and the 2016 Loan Agreement (1) and an independent third party not connected with the Company and its connected persons
“Borrower (II)”	the borrower under the 2014 Loan Agreement and an independent third party not connected with the Company and its connected persons

“Borrower (III)”	the borrower under the 2016 Loan Agreement (2) and an independent third party not connected with the Company and its connected persons
“Borrowers”	Borrower (I), Borrower (II) and Borrower (III)
“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 persons”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Lender”	Emperor Finance 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 Agreements”	the 2013 Loan Agreement, the 2014 Loan Agreement, the 2016 Loan Agreement (1), 2016 Loan Agreement (2) and the relevant supplemental loan agreements
“New Agreements”	2016 Loan Agreement (2), the Supplemental Loan Agreement (1) and Supplemental Loan Agreement (2)
“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
“Shareholders”	holders of ordinary shares of HK\$0.01 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Loan Agreement (1)”	the supplemental loan agreement dated 4 November 2016 entered into between the Lender and Borrower (II) for, among others, extending the repayment date of the 2014 Loan Agreement from 9 October 2016 to 31 March 2017

“Supplemental Loan Agreement (2)”

the supplemental loan agreement dated 4 November 2016 entered into between the Lender and Borrower (I) for, among others, extending the repayment date of the 2016 Loan Agreement (1) from 16 September 2016 to 31 March 2017

“%”

per cent

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

Hong Kong, 4 November 2016

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