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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 stockbroker in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Emperor Capital Group Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or the 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.

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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)

**CONTINUING CONNECTED TRANSACTIONS
PROVISION OF FINANCIAL SERVICES**

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



Grand Vinco Capital Limited

(A wholly-owned subsidiary of Vinco Financial Group Limited)

A letter from the board of directors of the Company is set out from pages 5 to 26 of this circular. A letter from the independent board committee of the Company is set out on page 27 of this circular. A letter from Vinco Capital containing its advice to the Independent Board Committee and the Independent Shareholders of the Company is set out from pages 28 to 45 of this circular.

A notice convening the SGM of the Company to be held at 28th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong on Thursday, 19 November 2015 at 3:00 p.m. is set out on pages 51 to 52 of this circular.

Whether or not you intend to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting if you so wish and in such case, the form of proxy previously submitted shall be deemed to be revoked.

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DEFINITIONS

In this circular, unless the context otherwise requires, capitalized terms used shall have the following meanings:

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| “Agreements” | the 2015 Emperor Group Financial Services Agreement and the 2015 Yeung Financial Services Agreement |
| “Annual Caps” | the Emperor Group Proposed Annual Caps and the Yeung Proposed Annual Caps |
| “associate” | has the meaning ascribed thereto under the Listing Rules |
| “AY Holdings” | Albert Yeung Holdings Limited, an investment holding company incorporated in the British Virgin Islands and is the controlling shareholder (as defined under the Listing Rules) of the Company by virtue of its interests in the Shares through Emperor Capital Holdings |
| “AY Trust” | The Albert Yeung Discretionary Trust, a discretionary trust set up by Dr. Yeung Sau Shing, Albert, and of which Ms. Daisy Yeung (the Managing Director of the Company) is one of the eligible beneficiaries |
| “Board” | the board of Directors |
| “Company” | Emperor Capital Group Limited, an exempted company incorporated in Bermuda with limited liability, the securities of which are listed on the main board of the Stock Exchange |
| “connected person” | has the meaning ascribed thereto under the Listing Rules |
| “Director(s)” | director(s) of the Company |
| “Emperor Capital Holdings” | Emperor Capital Group Holdings Limited, a company wholly and directly owned by AY Holdings and is interested in 44.28% of the issued shares of the Company as at the Latest Practicable Date. Emperor Capital Holdings is a member of the Yeung Family |
| “Emperor Group” | AY Holdings, its subsidiaries and associates |

DEFINITIONS

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| “Emperor Group Previous Annual Caps” | the previously obtained annual caps of the transactions contemplated under the Previous Emperor Group Financial Services Agreement for each of the three financial years ended 30 September 2015 |
| “Emperor Group Proposed Annual Caps” | the annual caps for the transactions contemplated under the 2015 Emperor Group Financial Services Agreement for each of the three financial years ending 30 September 2018 |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Independent Board Committee” | the independent committee of the Board formed to advise the Independent Shareholders in respect of the 2015 Yeung Financial Services Agreement, the Yeung Proposed Annual Caps, the 2015 Emperor Group Financial Services Agreement and the Emperor Group Proposed Annual Caps |
| “Independent Shareholders” | Shareholders other than Ms. Daisy Yeung, Emperor Capital Holdings and their respective associates |
| “Independent Third Parties” | independent third parties who are not connected persons of the Company as defined in the Listing Rules and are independent of the Company and the connected persons of the Company |
| “IPO” | initial public offering |
| “Latest Practicable Date” | 27 October 2015, being the latest practicable date prior to printing of this circular for the purpose of ascertaining certain information contained in the circular |
| “listed member(s)” | the company listed on the Stock Exchange (at any time), and its subsidiaries and associates |
| “Listing Rules” | The Rules Governing the Listing of Securities on the Stock Exchange |
| “Period” | two years ended 30 September 2014 and the nine months ended 30 June 2015 |

DEFINITIONS

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| “Previous Emperor Group Financial Services Agreement” | an agreement dated 28 September 2012 entered into between the Company and AY Holdings in relation to the financial services provided by the Group to the listed members of the Emperor Group |
| “Previous Financial Services Agreements” | Previous Yeung Financial Services Agreement and Previous Emperor Group Financial Services Agreement |
| “Previous Yeung Financial Services Agreement” | an agreement dated 28 September 2012 entered into between the Company and Ms. Daisy Yeung in relation to the financial services between the Group and the Yeung Family |
| “Prime Rate” | prime rate as quoted by The Hongkong and Shanghai Banking Corporation Limited from time to time |
| “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 to consider and approve, if thought fit, the 2015 Yeung Financial Services Agreement, the Yeung Proposed Annual Caps, the 2015 Emperor Group Financial Services Agreement and the Emperor Group Proposed Annual Caps |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of the Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Takeovers Code” | The Code on Takeovers and Mergers as amended from time to time issued by the Securities and Futures Commission of Hong Kong |

DEFINITIONS

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| “Vinco Capital” or “Independent Financial Adviser” | Grand Vinco Capital Limited, a wholly-owned subsidiary of Vinco Financial Group Limited (Stock Code: 8340), a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders with regard to the Agreements and the Annual Caps |
| “Yeung Family” | Ms. Daisy Yeung, the managing director of the Company, and her associates (as defined in the Listing Rules), but exclude the listed members of the Emperor Group |
| “Yeung Previous Annual Caps” | the previously obtained annual caps of the transactions contemplated under the Previous Yeung Financial Services Agreement for each of the three financial years ended 30 September 2015 |
| “Yeung Proposed Annual Caps” | the annual caps for the transactions contemplated under the 2015 Yeung Financial Services Agreement for each of the three financial years ending 30 September 2018 |
| “2015 Emperor Group Financial Services Agreement” | an agreement dated 10 September 2015 entered into between the Company and AY Holdings in relation to the provision financial services by the Group to the listed members of the Emperor Group |
| “2015 Yeung Financial Services Agreement” | an agreement dated 10 September 2015 entered into between the Company and Ms. Daisy Yeung in relation to the provision financial services between the Group and the Yeung Family |
| “HK\$” | Hong Kong dollars |
| “%” | per cent |

LETTER FROM THE BOARD



英皇證券集團有限公司* Emperor Capital Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 717)

Directors:

Ms. Daisy Yeung (*Managing Director*)

Mr. Chan Shek Wah

Ms. Choi Suk Hing, Louisa

Ms. Pearl Chan

Mr. Chu Kar Wing*

Mr. Poon Yan Wai*

Ms. Wan Choi Ha*

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Principal Office:

24th Floor

Emperor Group Centre

288 Hennessy Road

Wanchai

Hong Kong

30 October 2015

* *Independent Non-executive Directors*

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS PROVISION OF FINANCIAL SERVICES

BACKGROUND

On 10 September 2015, the Board announced the expiry of the Previous Financial Services Agreements on 30 September 2015. Pursuant to the Previous Financial Services Agreements, the Group has been providing various financial services to the Yeung Family and the listed members of the Emperor Group whilst the Yeung Family has been acting as placees or underwriters for securities placed or underwritten by the Group in accordance with the terms and conditions thereof for the period from 1 October 2012 to 30 September 2015. As the business scope and scale of the Group have expanded in the recent years, in order for the Group to continue to provide financial services to the Yeung Family and the listed members of the Emperor Group and to cover a wide range of services of the Group, the Company entered into the 2015 Yeung Financial Services Agreement and 2015 Emperor Group Financial Services Agreement on 10 September 2015.

* *for identification purposes only*

LETTER FROM THE BOARD

The purpose of this circular is to provide you with (i) the details of the Agreements and Annual Caps; (ii) a letter of advice from Vinco Capital containing its advice to the Independent Board Committee and the Independent Shareholders with regard to the Agreements and Annual Caps; (iii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Agreements and Annual Caps; and (iv) a notice convening the SGM at which an ordinary resolution will be proposed to seek the Independent Shareholders' approval for the Agreements and the Annual Caps.

THE 2015 YEUNG FINANCIAL SERVICES AGREEMENT

Pursuant to the 2015 Yeung Financial Services Agreement dated 10 September 2015 entered into between the Company and Ms. Daisy Yeung, the Group has agreed to provide to the members of the Yeung Family (i) brokerage services for securities, futures and options trading; (ii) wealth management and asset management services; (iii) financing services including margin loans, IPO loans and term loans; and (iv) financial advisory services, commencing from 1 October 2015 up to 30 September 2018. Under the 2015 Yeung Financial Services Agreement, the Group has also agreed to pay commission and fee to the Yeung Family, including (v) the commission and fee for their acting as places or underwriters for the securities of the Company or for the securities underwritten or placed by the Group, and (vi) referral fee for introducing clients to the Group relating to the Group's business, commencing from 1 October 2015 up to 30 September 2018.

For item (i), the rates to be charged by the Group to the clients will be determined with reference to the then prevailing market price and practice of the major securities broking firms in the relevant market (i.e. the current market commission and brokerage fees on dealing in securities in Hong Kong range from 0.1% to 0.25% of the transaction amount) and after considering the trading volume, creditworthiness and financial standing of the clients and the prevailing market condition. The commission rates and fees to be charged to the members of the Yeung Family will be determined based on the same pricing methodology as stated above.

For item (ii), fees including management and performance fees will be charged by the Group at a percentage of the asset value and/or the appreciation of asset value with reference to the then prevailing market price and practice of the wealth and asset managers in the market (i.e. the basic management fee in the market is currently charged at 2.5% or below of the asset value per annum, whereas performance fee varies widely from nil up to 20% of the appreciation of asset value or on the amount of return upon meeting certain benchmark or target. The amount of performance fee highly depends on the percentage of the basic management fee, the lower the basic management fee, the higher will be the performance fee and vice versa). The fee structure may vary widely and the range may widen in accordance with the investment objective, type of investment (e.g. equity, bond, or mix assets), the geographical region where assets are invested, the asset size to be managed, the market risk, the risk acceptance level of clients and the investment opportunities in the financial market from time to time. The management and performance fees to be charged to the members of the Yeung Family will be determined based on the same pricing methodology as stated above.

LETTER FROM THE BOARD

For item (iii), the interest rates to be charged by the Group to the clients will be determined with reference to the then prevailing market price and practice of the money lending corporations in the market (i.e. the current market interest rate for securities margin financing in Hong Kong ranges from Prime Rate minus 0.5% to Prime Rate plus 5% per annum of the margin loan amount, whereas the interest rate for margin financing involving acquisition of a substantial interest in a listed company in Hong Kong and/or making a general offer to acquire issued shares of a listed company in Hong Kong under the Takeovers Code, the interest rate ranges from 1% to 3% per month. For the IPO loan, the current market interest rate is 2% per annum or below of the IPO loan amount and varies from case to case on each IPO. For the term loan, the current market interest rate ranges from 9% to 39% per annum of the term loan amount). The rates may vary widely and the range may widen in accordance with the maximum exposure of the credit risk, the security or surety of the loans, creditworthiness and financial standing of the clients and the prevailing market condition. The interest rates to be charged to the members of the Yeung Family will be determined based on the same pricing methodology as stated above.

For item (iv), the advisory fees to be charged by the Group to the clients will be determined with reference to the then prevailing market price and practice of other financial advisers providing similar services in the market as well as considering the size and type of transaction, the manpower to be allocated and the business relationship with the clients. The Group will adopt the same pricing methodology in determining the advisory fees to be charged to the members of Yeung Family in providing the financial advisory services.

For item (v), the commission and fee payable to the placees, underwriters or sub-underwriters will be determined with reference to the then prevailing market price and practice of market participants in the market (i.e. the current market placing and underwriting commission ranges from 0.5% to 5% of the relevant amount) and after considering the underwriting risks, the market price, liquidity and the nature of relevant securities, the market capitalization of the issuers, the size of the underwriting amount and the prevailing market condition. The commission and fee to be charged to the members of Yeung Family will be determined based on the same pricing methodology as stated above.

For item (vi), the amount of referral fees payable to any person who introduces business to the Group will depend on the type of the Group's services required by the referred clients and after taking into account the respective commercial considerations in relation to that type of services, such as the scale and size of the transactions, the relationship with the client, the credit risk exposure, creditworthiness and financial standing of the clients. The referral fees will be a percentage of the transaction or a lump sum, and the amount will depend on the then prevailing market price and practice of market participants in the market and will be adjusted upwards or downwards as from case to case based on the relevant commercial considerations. For example, the referral fee for brokerage services provided by the Group will be calculated by a percentage of the brokerage income generated by the Group from the referred clients, while referral fee for financing services and advisory services will be determined with reference to the total loan or transaction amount. The referral fees payable to the members of Yeung Family will be determined based on the same methodology as stated above.

LETTER FROM THE BOARD

Detailed rates and terms will be specified in the individual contracts of each transaction based on the type of services and the considerations are normally settled by cash. The rates and terms (including the payment of commission and fee to the Yeung family) will be on normal commercial terms and with reference to the market price and practice, and in any event no more favourable than those available to Independent Third Party.

The provision of the services to Yeung Family under the 2015 Yeung Financial Services Agreement is within the ordinary course of business of the Group.

In determining the annual caps under the 2015 Yeung Financial Services Agreement, the Directors have categorized the transactions under the 2015 Yeung Financial Services Agreement as follows:

- (i) commission, brokerage, fees and interest income to be received from the Yeung Family;
- (ii) margin loans to be provided to the Yeung Family;
- (iii) IPO loans to be provided to the Yeung Family;
- (iv) term loans to be provided to the Yeung Family, such as tax loan, mortgage loan or loan for business or personal needs;
- (v) financial advisory services to be provided to the Yeung Family (including general corporate financial advice such as corporate governance issues, shareholders' dealings in shares, corporate investment and advice on Listing Rules or Takeovers Code); and
- (vi) commission and fee to be paid to the Yeung Family for their acting as places or underwriters for the securities of the Company or for the securities underwritten or placed by the Group, and/or referral fee for introducing clients to the Group relating to the Group's business.

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| LETTER FROM THE BOARD |
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Yeung Previous Annual Caps

Set out below are the Yeung Previous Annual Caps obtained for the Previous Yeung Financial Services Agreement:

| Yeung Previous Annual Caps | | | |
|---|-----------------|-----------------|-----------------|
| For the financial year ended | | | |
| 30 September | | | |
| | 2013 | 2014 | 2015 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| (i) Commission and brokerage on dealing in securities, futures and options trading and interest income from the Yeung Family | 25,000 | 25,000 | 25,000 |
| (ii) Maximum margin loan amount to the Yeung Family | 110,000 | 110,000 | 110,000 |
| (iii) Maximum IPO loan amount to the Yeung Family | 200,000 | 200,000 | 200,000 |
| (iv) Maximum term loan amount to the Yeung Family | 150,000 | 150,000 | 150,000 |
| (v) Financial advisory fee from the Yeung Family | 2,500 | 2,500 | 2,500 |
| (vi) Commission and fee payment to the Yeung Family for their acting as places for the securities underwritten or placed by the Group | 500 | 500 | 500 |
| Total | <u>488,000</u> | <u>488,000</u> | <u>488,000</u> |

LETTER FROM THE BOARD

Historical transactions amounts under the Previous Yeung Financial Services Agreement

Set out below are the historical transaction amounts under the Previous Yeung Financial Services Agreement between the Yeung Family and the Group for the Period:

| | For the year ended | | For the |
|---|--------------------|----------|----------|
| | 30 September | | nine |
| | 2013 | 2014 | months |
| | HK\$'000 | HK\$'000 | ended |
| | | | 30 June |
| | | | 2015 |
| | | | HK\$'000 |
| (i) Commission and brokerage on dealing in securities, futures and options trading and interest income from the Yeung Family | 3,155 | 8,926 | 3,572 |
| (ii) Maximum margin loan amount to the Yeung Family | 35,129 | 27,862 | 53,908 |
| (iii) Maximum IPO loan amount to the Yeung Family | 1,262 | 12,526 | 12,062 |
| (iv) Financial advisory fee from the Yeung Family | 293 | Nil | Nil |
| (v) Commission and fee payment to the Yeung Family for their acting as placees or underwriters for securities placed or underwritten by the Group <i>(Note)</i> | 500 | Nil | 151 |

During the Period, no term loan was granted to any members of the Yeung Family. All the Yeung Previous Annual Caps were not exceeded for each of the three financial years ended 30 September 2015.

Note: These amounts represent commission paid to the Yeung Family for their acting as placees for the securities of certain independent listed companies which have engaged the Group as placing agents during the Period. These historical amounts did not include those commission paid to the Yeung Family for their acting as underwriters in the following corporate exercises of the Company:

- (i) During the year ended 30 September 2013, HK\$500,000 was paid to Emperor Capital Holdings as underwriting commission relating to the issue of bonds of the Company by way of open offer, details of which are set out in the announcement of the Company dated 11 October 2013; and
- (ii) During the nine months ended 30 June 2015, HK\$6.4 million was paid to Emperor Capital Holdings for its role as the underwriter for the rights issue of the Company as announced on 26 March 2015.

LETTER FROM THE BOARD

These underwriting arrangements between the Company and Emperor Capital Holdings together with the payment of the underwriting commission were connected transactions of the Company and that the Company had duly complied with the relevant requirements under Chapter 14A of the Listing Rules.

Yeung Proposed Annual Caps

Set out below are the Yeung Proposed Annual Caps for the 2015 Yeung Financial Services Agreement:

| Yeung Proposed Annual Caps | | | |
|--|------------------|------------------|------------------|
| For the financial year ending | | | |
| 30 September | | | |
| | 2016 | 2017 | 2018 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| (i) Commission, brokerage, fees and interest income from the Yeung Family <i>(Note)</i> | 99,000 | 103,000 | 108,000 |
| (ii) Maximum margin loan amount to the Yeung Family <i>(Note)</i> | 600,000 | 600,000 | 600,000 |
| (iii) Maximum IPO loan amount to the Yeung Family | 200,000 | 200,000 | 200,000 |
| (iv) Maximum term loan amount to the Yeung Family | 280,000 | 280,000 | 280,000 |
| (v) Financial advisory fee from the Yeung Family | 10,000 | 12,000 | 15,000 |
| (vi) Commission and fee to the Yeung Family for their services being provided to the Group | 31,000 | 36,000 | 44,000 |
| Total | <u>1,220,000</u> | <u>1,231,000</u> | <u>1,247,000</u> |

Note: The proposed annual caps have been revised and are different from the amounts as disclosed in the announcement of the Company dated 10 September 2015.

LETTER FROM THE BOARD

In determining the Yeung Proposed Annual Caps for the transactions contemplated under the 2015 Yeung Financial Services Agreement, the following principal factors have been taken into consideration:

- (i) Commission, brokerage, fees and interest income from the Yeung Family
 - the Yeung Proposed Annual Caps under this category shall include (i) commission and brokerage fees on dealing in securities, futures and options contracts; (ii) commission income from asset management, insurance brokerage and wealth management; and (iii) interest income from financing;
 - the Group's commission and brokerage income from dealings in securities, futures and options and interest income from margin, IPO and other financings have increased significantly since the time when the Yeung Previous Annual Caps were determined and it is expected that the Group's overall performance will continue to improve in view of the additional capital raised in the recent fund raising exercises and the recent expansion of the business of the Group, in particular the money lending business;
 - the highest historical percentage of commission and brokerage income from members of Yeung Family to that of the Group during the Period and it is assumed that the commission and brokerage income from the members of Yeung Family for the three financial years ending 30 September 2018 to that of the Group will be at similar percentage; and
 - the expected interest income to be generated assuming the proposed maximum amount of margin loans and term loans will be advanced to the Yeung Family for the three financial years ending 30 September 2018.
- (ii) Maximum margin loan amount to the Yeung Family
 - the substantial growth of the Group's interests income from margin loans during the Period reflecting the fact that the demand of margin loan financing has substantially increased and the money lending business of the Group is expanding;
 - the available cash flow and resources for margin loans to be advanced has increased as the Group's liquid capital increases as a result of the recent fund raising exercises of the Company;
 - the active expansion of the loan and financing business of the Group in recent years and the substantial growth of the Group's loan book (i.e. the amount of loans and advances receivable of the Group as at 31 March 2015 is more than double the amount as at 30 September 2012) and the Group will continuously promote its money lending business and actively seek for potential customers, including members of Yeung Family;

LETTER FROM THE BOARD

- the need for a larger cap amount for the 2015 Yeung Financial Services Agreement in order for the Group to stay competitive. If the cap is not sufficient and the Group is required to obtain approval from Independent Shareholders before granting of the loans, the Group will not be able to meet the timing constraints of the investment decisions of its clients in a timely manner;
 - past investment decisions and capital needs of the members of Yeung Family; and
 - the expected future funding needs of the Yeung Family for capturing potential business opportunities, which includes the need for funding investments in listed shares in Hong Kong or overseas (including margin loan financing for investment projects involve making general offers under the Takeovers Code) for the three financial years ending 30 September 2018.
- (iii) IPO financing to the Yeung Family
- the number of newly listed companies in the Stock Exchange has increased significantly between the year 2012 and year 2014. It is expected that the IPO market will remain active in the forthcoming years, and the demand of IPO loan and potential IPO trading activities from the members of Yeung Family will increase for the three financial years ending 30 September 2018;
 - the average fund raising amount has increased significantly in recent years, it is expected that the average fund raising amount from IPOs will continuously to increase and there is still an expected demand for IPO financing from the members of Yeung Family; and
 - the annual amount for the year ending 30 September 2015 under the Yeung Previous Annual Caps will remain applicable and it is expected that the same amount will be sufficient for each of the three financial years ending 30 September 2018.
- (iv) Maximum term loan amount to the Yeung Family
- the active expansion of the loan and financing business of the Group (including expanding into the second mortgage financing) in recent years and the substantial growth of the Group's loan book (i.e. the amount of loans and advances receivable of the Group as at 31 March 2015 is more than double the amount as at 30 September 2012) and the Group will continuously promote its money lending business and actively seek for potential customers, including the members of Yeung Family;
 - the available cash flow and resources for term loans and the amount to be advanced has increased as the Group's liquid capital increases as a result of the recent fund raising exercises of the Company;

LETTER FROM THE BOARD

- past investment decisions and capital needs of the members of Yeung Family; and
 - the expected funding needs of the Yeung Family for capturing potential business opportunities, which includes acquisition of properties or other assets or investment in private companies for the three financial years ending 30 September 2018.
- (v) Financial advisory fee from the Yeung Family
- the Group has been providing corporate financial advisory services to members of the Yeung Family in relation to their investment projects, including general financial advice on corporate governance issues, shareholders' dealings in shares, acquisition of listed securities, advice on Listing Rules or Takeovers Code, and acting as sponsor for the listing of some of the corporate members of the Yeung Family;
 - the financial advisory fee would be received if the potential investment projects of the members of Yeung Family were materialized or completed during the Period;
 - it is expected that the members of the Yeung Family will continue to engage the Group as financial advisor in their investment projects or corporate exercises in the three financial years ending 30 September 2018, particularly in complex transactions such as very substantial acquisitions, general offers and IPOs, and these projects and exercises are expected to increase in size and value as compared to those carried out during the Period; and
 - the determination of the cap under this category is with reference to the market price and practice and it is expected that financial advisory fee in the market will increase in the three financial years ending 30 September 2018.
- (vi) Commission and fee to the Yeung Family for their services being provided to the Group
- the Yeung Proposed Annual Caps under this category shall include commissions and fees payable to the Yeung Family (i) for their acting as places or underwriters for the securities of the Company; (ii) for their acting as underwriters or places for the securities of other listed companies underwritten or placed by the Group; and (iii) for introducing clients to the Group relating to the Group's business;

LETTER FROM THE BOARD

- in addition to acting as underwriters or placees for the securities of listed companies underwritten or placed by the Group, the Yeung Family had acted as underwriter in the fund raising activities of the Company during the Period, details of which are set out in the section “Historical transactions amounts under the Previous Yeung Financial Services Agreement” in this circular. As the Group’s fund raising activities become more and more active in the recent years, it is expected that members of the Yeung Family will participate in the future fund raising activities of the Company (if any) as placees or underwriters during the three financial years ending 30 September 2018;
- given the market capitalization of the Company has significantly increased in year 2015, the size of fund raising activities of the Company (if any) for the three financial years ending 30 September 2018 is expected to increase when compared with those in the Period. Hence, the commission and fee to Yeung Family for their acting as the underwriter of the future fund raising activities of the Company will increase for the three financial years ending 30 September 2018;
- as the Group’s business continues to increase in scope and scale, the Directors consider that the referral scheme or arrangement can promote the Group’s branding and the public awareness of the Group’s businesses. Historically, referral fees or rebate were provided to agents or clients for introducing business for the Group’s financing, brokerage, placing and underwriting segments. The Yeung Proposed Annual Caps shall take into account the market rate and the historical rate of referral fee given to Independent Third Parties for business referral by the Yeung Family; and
- taking into account the members of Yeung Family are engaged in different business sectors with a wide customer base, the business opportunities and the income of the Group will increase by capitalising these network. The referral fee to be paid to the members of Yeung Family for the three financial years ending 30 September 2018 are estimated based on (i) the expected growth of the Group's income in the future; (ii) the expected income to be generated from the new business opportunities referred by the members of Yeung Family (including new retail investors for brokerage services and high net worth individuals for financing services), and (iii) the market rates of referral fee of the relevant referral services.

The utilization of the above caps in the future will depend on the then market condition and the investment decisions and preference of each individual member of the Yeung Family. As there is no clear and regular investment pattern that can be derived with reference to the historical amounts, the Directors consider that the above caps may or may not be fully utilized in each of the financial year.

LETTER FROM THE BOARD

2015 EMPEROR GROUP FINANCIAL SERVICES AGREEMENT

Pursuant to the 2015 Emperor Group Financial Services Agreement dated 10 September 2015 entered into between the Company and AY Holdings, the Group has agreed to provide to the listed members of the Emperor Group (i) brokerage services for securities, futures and options trading; (ii) wealth management and asset management services; (iii) placing and underwriting services; (iv) financing services including margin loans, IPO loans and term loans, and (v) financial advisory services, commencing from 1 October 2015 up to 30 September 2018.

For item (i), the rates to be charged by the Group to the clients will be determined with reference to the then prevailing market price and practice of the major securities broking firms in the relevant market (i.e. the current market commission and brokerage fees on dealing in securities in Hong Kong range from 0.1% to 0.25% of the transaction amount) and after considering the trading volume, creditworthiness and financial standing of the clients and the prevailing market condition. The commission rates and fees to be charged to the listed members of the Emperor Group will be determined based on the same pricing methodology as stated above.

For item (ii), fees including management and performance fees will be charged by the Group at a percentage of the asset value and/or the appreciation of asset value with reference to the then prevailing market price and practice of the wealth and asset managers in the market (i.e. the basic management fee in the market is currently charged at 2.5% or below of the asset value per annum, whereas performance fee varies widely from nil up to 20% of the appreciation of asset value or on the amount of return upon meeting certain benchmark or target. The amount of performance fee highly depends on the percentage of the basic management fee, the lower the basic management fee, the higher will be the performance fee and vice versa). The fee structure may vary widely and the range may widen in accordance with the investment objective, type of investment (e.g. equity, bond, or mix assets), the geographical region where assets are invested, the asset size to be managed, the market risk, the risk acceptance level of clients and the investment opportunities in the financial market from time to time. The management and performance fees to be charged to the listed members of the Emperor Group will be determined based on the same pricing methodology as stated above.

For item (iii), the commission and fee to be charged to the clients will be determined with reference to the then prevailing market price and practice of market participants in the relevant market (i.e. the current market placing and underwriting commission ranges from 0.5% to 5% of the fund raising amount) and after considering the underwriting risks, the market price, liquidity and the nature of relevant securities, the market capitalization of the issuers, the size of the underwriting amount and the prevailing market condition. The commission and fee to be charged to the listed members of Emperor Group will be determined based on the same pricing methodology as stated above.

For item (iv), the interest rates to be charged by the Group to the clients will be determined with reference to the then prevailing market price and practice of the money lending corporations in the market (i.e. the current market interest rate for securities margin financing in Hong Kong ranges from Prime Rate minus 0.5% to Prime Rate plus 5%

LETTER FROM THE BOARD

per annum of the margin loan amount, whereas the interest rate for margin financing involving acquisition of a substantial interest in a listed company in Hong Kong and/or making a general offer to acquire issued shares of a listed company in Hong Kong under the Takeovers Code, the interest rate ranges from 1% to 3% per month. For the IPO loan, the current market interest rate is 2% per annum or below of the IPO loan amount and varies from case to case on each IPO. For the term loan, the current market interest rate ranges from 9% to 39% per annum of the term loan amount). The rates may vary widely and the range may widen in accordance with the maximum exposure of the credit risk, the security or surety of the loans, creditworthiness and financial standing of the clients and the prevailing market condition. The interest rates to be charged to the listed members of the Emperor Group will be determined based on the same pricing methodology as stated above.

For item (v), the advisory fees to be charged by the Group will be determined with reference to the then prevailing market price and practice of other financial advisers providing similar services in the market as well as considering the size and type of the transaction, the manpower to be allocated and the business relationship with the clients. The Group will adopt the same pricing methodology in determining the advisory fees to be charged to the listed members of Emperor Group in providing the financial advisory services.

Detailed rates and terms will be specified in the individual contracts of each transaction based on the type of services and the considerations are normally settled by cash. The rates and terms will be on normal commercial terms with reference to the market price and practice, and in any event no more favourable than those available to Independent Third Party.

The provision of the services under the 2015 Emperor Group Financial Services Agreement to listed members of the Emperor Group is in the ordinary course of business of the Group.

In determining the annual caps under the 2015 Emperor Group Financial Services Agreement, the Directors have categorized the transactions under the 2015 Emperor Group Financial Services Agreement as follows:

- (i) commission, brokerage, fees and interest income to be received from the listed members of the Emperor Group including placing and underwriting commission from acting as placing agent, underwriter or sub-underwriter;
- (ii) margin loans to be provided to the listed members of the Emperor Group;
- (iii) IPO loans to be provided to the listed members of the Emperor Group;
- (iv) term loans to be provided to the listed members of the Emperor Group; and
- (v) financial advisory services to be provided to the listed members of the Emperor Group (including general corporate financial services such as advice on Listing Rules or Takeovers Code on corporate exercises).

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| LETTER FROM THE BOARD |
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Emperor Group Previous Annual Caps

Set out below are the Emperor Group Previous Annual Caps obtained for the Previous Emperor Group Financial Services Agreement:

| Emperor Group Previous Annual Caps For the financial year ended 30 September | | | |
|---|--|-----------------------|---|
| 2013 2014 2015 | | | |
| <i>HK\$'000 HK\$'000 HK\$'000</i> | | | |
| (i) | Commission and brokerage on dealing in securities, futures and options trading from acting as placing agent, underwriter or sub-underwriter and interest income from the listed members of the Emperor Group | 30,000 | 30,000 30,000 |
| (ii) | Maximum margin loan amount to the listed members of the Emperor Group | 110,000 | 110,000 110,000 |
| (iii) | Maximum IPO loan amount to the listed members of the Emperor Group | 2,500 | 2,500 2,500 |
| (iv) | Maximum term loan amount to the listed members of the Emperor Group | 150,000 | 150,000 150,000 |
| (v) | Financial advisory fee from the listed members of the Emperor Group | <u>8,000</u> | <u>8,000</u> <u>8,000</u> |
| Total | | <u><u>300,500</u></u> | <u><u>300,500</u></u> <u><u>300,500</u></u> |

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| LETTER FROM THE BOARD |
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Historical transactions amounts under the Previous Emperor Group Financial Services Agreement

Set out below are the historical transaction amounts under the Previous Emperor Group Financial Services Agreement between the listed members of the Emperor Group and the Group for the Period:

| | For the year ended 30 September | | For the nine months ended 30 June |
|---|------------------------------------|-----------------|--|
| | 2013 | 2014 | 2015 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| (i) Commission and brokerage on dealing in securities, futures and options trading from acting as placing agent, underwriter or sub-underwriter, and interest income from the Emperor Group | 23 | 28,260 | 32 |
| (ii) Financial advisory fee from the listed members of the Emperor Group | 1,740 | 1,740 | 1,875 |

During the Period, no margin loan, IPO loan or term loan was granted to any listed member of the Emperor Group. All the Emperor Group Previous Annual Caps were not exceeded for each of the three financial years ended 30 September 2015.

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| LETTER FROM THE BOARD |
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Emperor Group Proposed Annual Caps

Set out below are the Emperor Group Proposed Annual Caps for the 2015 Emperor Group Financial Services Agreement:

| Emperor Group Proposed Annual Caps For the financial year ending 30 September | | | |
|---|-------------------------|-------------------------|-------------------------|
| | 2016 | 2017 | 2018 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| (i) Commission, brokerage and fees and interest income from the listed members of the Emperor Group <i>(Note)</i> | 230,000 | 245,000 | 262,000 |
| (ii) Maximum margin loan amount to the listed members of the Emperor Group <i>(Note)</i> | 600,000 | 600,000 | 600,000 |
| (iii) Maximum IPO loan amount to the listed members of the Emperor Group <i>(Note)</i> | 70,000 | 70,000 | 70,000 |
| (iv) Maximum term loan amount to the listed members of the Emperor Group | 280,000 | 280,000 | 280,000 |
| (v) Financial advisory fee from the listed members of the Emperor Group | <u>13,000</u> | <u>17,000</u> | <u>20,000</u> |
| Total | <u>1,193,000</u> | <u>1,212,000</u> | <u>1,232,000</u> |

Note: The proposed annual caps have been revised and are different from the amounts as disclosed in the announcement of the Company dated 10 September 2015.

LETTER FROM THE BOARD

In determining the Emperor Group Proposed Annual Caps for the transactions contemplated under the 2015 Emperor Group Financial Services Agreement, the following principal factors have been taken into consideration:

- (i) Commission and interest income from the listed members of the Emperor Group
 - the Emperor Group Proposed Annual Caps under the category shall include (i) commission and brokerage fees on dealing in securities, futures and options contracts; (ii) commission income from asset management, insurance brokerage and wealth management; (iii) commission from acting as placing agent, underwriter or sub-underwriter for the securities of the listed members of the Emperor Group; and (iv) interest income from financing;
 - the Group has been acting as placing agents/underwriters for the listed members of the Emperor Group and the amount of commission income for placing, underwriting and sub-underwriting services for the three financial years ending 30 September 2018 is calculated based on (i) the assumed amount of fund to be raised by the listed members of the Emperor Group in view of their respective net asset values which have increased substantially during the Period, (ii) normal commission rate to be charged with reference to the market and (iii) the expected growth in the total net asset value of the listed members of the Emperor Group in the forthcoming years; and
 - the expected interest income to be generated assuming the proposed maximum amount of margin loans and term loans will be advanced to the listed members of the Emperor Group for the three financial years ending 30 September 2018.
- (ii) Maximum margin loan amount to the listed members of the Emperor Group
 - the substantial growth of the Group's interests income from margin loans during the Period reflecting the fact that the demand of margin loan financing has substantially increased and the money lending business of the Group is expanding;
 - the available cash flow and resources for margin loans and the amount to be advanced has increased as the Group's liquid capital increases as a result of the recent fund raising exercises of the Company;
 - the active expansion of the loan and financing business of the Group in recent years and the substantial growth of the Group's loan book (i.e. the amount of loans and advances receivable of the Group as at 31 March 2015 is more than double the amount as at 30 September 2012) and the Group will continuously promote its money lending business and actively seek for potential customers, including the listed members of Emperor Group;

LETTER FROM THE BOARD

- the need for a larger cap amount for the 2015 Emperor Group Financial Services Agreement in order for the Group to stay competitive. If the cap is not sufficient and the Group is required to obtain approval from Independent Shareholders before granting of the loans, the Group will not be able to meet the timing constraints of the investment decisions of its clients in a timely manner;
 - past investment decisions, the type and size of investments and capital needs of the listed members of Emperor Group; and
 - the expected future funding needs of the listed members of the Emperor Group for business expansion and capturing potential business opportunities, which includes the need for funding investments in other listed shares in Hong Kong or overseas (including margin loan financing for investment projects involve making general offers under the Takeovers Code) for the three financial years ending 30 September 2018.
- (iii) IPO financing to the listed members of the Emperor Group
- the number of newly listed companies in the Stock Exchange has increased significantly between the year 2012 and year 2014. It is expected that the IPO market will remain active in the forthcoming years, and the demand of IPO loan and potential IPO trading activities from the listed members of Emperor Group will increase for the three financial years ending 30 September 2018, and
 - the average fund raising amount from IPOs has increased significantly in recent years and it is expected that the average fund raising amount will continuously to increase. The Emperor Group Previous Annual Caps under this category is insufficient as the amount of IPO financing request from the listed members of Emperor Group is expected to increase in the forthcoming years.
- (iv) Maximum term loan amount to the listed members of the Emperor Group
- the active expansion of the loan and financing business of the Group (including expanding into the second mortgage financing) in recent years and the substantial growth of the Group's loan book (i.e. the amount of loans and advances receivable of the Group as at 31 March 2015 is more than double the amount as at 30 September 2012) and the Group will continuously promote its money lending business and actively seek for potential customers, including the listed members of Emperor Group;

LETTER FROM THE BOARD

- the available cash flow and resources for term loans to be advanced has increased as the Group's liquid capital increases as a result of the recent fund raising exercises of the Company;
 - the maximum amount of historical financing enquiry made with banks and the Group from the listed members of Emperor Group for their investment projects during the Period, and with reference to their size of transaction amount as disclosed in their announcement or financial reports; and
 - the expected future funding needs of the listed members of the Emperor Group for business expansion and capturing potential business opportunities, which includes the need for funding investments in private companies, properties or other assets for the three financial years ending 30 September 2018.
- (v) Financial advisory fee from the listed members of the Emperor Group
- the Group has been providing corporate financial advisory services to the listed members of the Emperor Group, including providing advices on Listing Rules and/or Takeovers Code on various fund raising activities and corporate exercises during the Period;
 - the financial advisory fee would be received if the potential investment projects of the listed members of Emperor Group were materialized or completed during the Period;
 - it is expected that the listed members of the Emperor Group will continue to engage the Group as financial advisor on project basis, particularly in complex transactions such as very substantial acquisitions, general offers and IPOs as well as annual retainer basis for the three financial years ending 30 September 2018; and
 - the historical amount of advisory fee received from the listed members of the Emperor Group, the market price and practice and the expected increase in financial advisory fee in the three financial years ending 30 September 2018.

The utilization of the above caps in the future will depend on the then market condition and the investment decisions and strategy of each listed member of the Emperor Group. As there is no clear and regular investment pattern that can be derived with reference to the historical amounts, the Directors consider that the above caps may or may not be fully utilized in each of the financial year.

LETTER FROM THE BOARD

REASONS FOR ENTERING INTO THE FINANCIAL SERVICES 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 IPO financing; (ii) brokerage, wealth management and asset management; (iii) placing and underwriting services for listed issuers; and (iv) corporate finance advisory services.

In June and July 2015, the Company has completed a number of fund raising activities (including rights issue, placing and subscription of new Shares) and net proceeds of approximately HK\$1,714.1 million were raised. The Group has been actively seeking new business opportunities and expanding its existing businesses, especially for the money lending business. The Directors considered that the entering into of the 2015 Yeung Financial Services Agreement and the 2015 Emperor Group Financial Services Agreement allows flexibility of the Group to continue to provide the financial services to the Yeung Family and the listed members of the Emperor Group. The increase in the cap amount and the scope of services under the Yeung Proposed Annual Caps and the Emperor Group Proposed Annual Caps allows the Group to participate in the corporate exercise and/or the investment opportunities of its clients in a timely manner which is beneficial to the Group's revenue and such increase is in line with the robust development of the Group's business during these few years. The Directors (excluding the independent non-executive Directors who have formed their views in the letter from the Independent Board Committee in this circular) considered that the 2015 Yeung Financial Services Agreement and the 2015 Emperor Group Financial Services Agreement are on normal commercial terms, in the ordinary course of business of the Group, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Ms. Daisy Yeung is the managing director of the Company. As such, the transactions contemplated under the 2015 Yeung Financial Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The applicable percentage ratios calculated with reference to the Yeung Proposed Annual Caps exceed 5%, and the annual amount exceeds HK\$10 million. Accordingly, the 2015 Yeung Financial Services Agreement and the Yeung Proposed Annual Caps are subject to reporting, announcement and the Independent Shareholders' approval requirements under the Listing Rules.

The Company is owned as to approximately 44.28% by Emperor Capital Holdings, an investment holding company which is wholly-owned by AY Holdings, a substantial shareholder of the Company. As such, the Emperor Group is defined as a connected person of the Company under 14A of the Listing Rules. AY Holdings is an investment holding company and incorporated in the British Virgin Islands.

LETTER FROM THE BOARD

The applicable percentage ratios calculated with reference to the Emperor Group Proposed Annual Caps exceed 5%, and the annual amount exceeds HK\$10 million. Accordingly, the 2015 Emperor Group Financial Services Agreement and the Emperor Group Proposed Annual Caps are subject to reporting, announcement and the Independent Shareholders' approval requirements under the Listing Rules.

A SGM will be convened for the Independent Shareholders to approve the Agreements and the Annual Caps. As Emperor Capital Holdings is a company indirectly owned by AY Trust of which Ms. Daisy Yeung is one of the eligible beneficiaries, Emperor Capital Holdings, Ms. Daisy Yeung and their associates (together controlling or are entitled to control over the voting right in respect of 2,563,309,360 Shares, representing approximately 44.59% of the issued share capital of the Company as at the Latest Practicable Date), will abstain from voting in respect of the ordinary resolution proposed to approve the Agreements and Annual Caps at the SGM. Ms. Daisy Yeung, has abstained from voting at the board meeting of the Company on the relevant resolution(s) in relation to Agreements and Annual Caps.

SGM

A notice convening the SGM to be held at 28th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong on Thursday, 19 November 2015 at 3:00 p.m. or any adjournment is set out from pages 51 to 52 of this circular. An ordinary resolution will be proposed at the SGM for the Independent Shareholders to approve the Agreements and the Annual Caps. In compliance with the Listing Rules, the ordinary resolution will be voted by way of poll and the results of the SGM will be published after the SGM.

Whether or not you intend to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible, but in any event not less than 48 hours before the time of the SGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting if you so wish and in such case, the form of proxy previously submitted shall be deemed to be revoked.

LETTER FROM THE BOARD

RECOMMENDATION

Vinco Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders with regard to the Agreements and the Annual Caps. The text of the letter of the advice from Vinco Capital containing its recommendation and the principal factors it has taken into account in arriving at its recommendation are set out on pages 28 to 45 of this circular.

The Independent Board Committee, having taken into account the advice of Vinco Capital, considers that the terms of the Agreements and the Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned and are in the interest of the Company and the Shareholders as a whole. The full text of the letter from the Independent Board Committee is set out on page 27 of this circular.

ADDITIONAL INFORMATION

Your attention is drawn to the Letter from the Independent Board Committee, the Letter from Vinco Capital and the information set out in the Appendix to this circular.

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



英皇證券集團有限公司*
Emperor Capital Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 717)

30 October 2015

To the Independent Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS
PROVISION OF FINANCIAL SERVICES**

We have been appointed as members of the Independent Board Committee to consider the terms of the Agreements and the Annual Caps, details of which are set out in the “Letter from the Board” in a circular dated 30 October 2015 to the Shareholders (the “Circular”), of which this letter forms a part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

Your attention is drawn to “Letter from Vinco Capital” containing its advice to us and the Independent Shareholders regarding the fairness and reasonableness of the terms and conditions of the Agreements and the Annual Caps. Details of its advice are set out on pages 28 to 45 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 5 to 26 of the Circular. Having considered the advice and recommendation of Vinco Capital, we are of the opinion that the terms of the Agreements and the Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

We therefore recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Agreements and the Annual Caps.

Yours faithfully,

EMPEROR CAPITAL GROUP LIMITED

CHU Kar Wing

POON Yan Wai

WAN Choi Ha

Independent Board Committee

* *for identification purposes only*

LETTER FROM VINCO CAPITAL

The following is the text of a letter of advice from Vinco Capital to the Independent Board Committee and the Independent Shareholders in connection with the Agreements and the Annual Caps, which has been prepared for the purpose of incorporation in this circular:



30 October 2015

*To the Independent Board Committee and the Independent Shareholders of
Emperor Capital Group Limited*

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS PROVISION OF FINANCIAL SERVICES

A. INTRODUCTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Agreements and the Annual Caps, details of which are set out in the Letter from the Board contained in the circular of the Company dated 30 October 2015 (the "Circular") to the Shareholders, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

The Board announced on 10 September 2015 that the terms of the Previous Financial Services Agreements will expire on 30 September 2015. Pursuant to the Previous Financial Services Agreements, the Group has been providing various kinds of financial services to the Yeung Family and the listed members of the Emperor Group whilst the Yeung Family has been acting as places or underwriters for securities placed or underwritten by the Group in accordance with the terms and conditions thereof for the period from 1 October 2012 to 30 September 2015. In order for the Group to continue to provide similar financial services to the Yeung Family and the listed members of the Emperor Group, the Company entered into the Agreements with Ms. Daisy Yeung and AY Holdings on 10 September 2015.

Given that (i) Ms. Daisy Yeung is the managing director of the Company; and (ii) the Company is owned as to approximately 44.28% by Emperor Capital Holdings, an investment holding company which is wholly-owned by AY Holdings which is a substantial shareholder of the Company, the Yeung Family and AY Holdings are connected persons of the Company under Chapter 14A of the Listing Rules and the corresponding transactions contemplated under the 2015 Yeung Financial Services Agreement and 2015 Emperor Group Financial Services Agreement constitute continuing connected transactions for the Company.

LETTER FROM VINCO CAPITAL

As the applicable percentage ratios calculated with reference to both of the Yeung Proposed Annual Caps and the Emperor Group Proposed Annual Caps exceeds 5%, and the annual amounts exceed HK\$10 million, the Agreements constitute non-exempt continuing connected transactions for the Company. Accordingly, the Agreements and the Annual Caps are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. As Emperor Capital Holdings is a company indirectly owned by AY Trust which Ms. Daisy Yeung is one of the eligible beneficiaries, Emperor Capital Holdings, Ms. Daisy Yeung and their associates (together controlling or are entitled to control over the voting right in respect of 2,563,309,360 Shares, representing approximately 44.59% of the issued share capital of the Company as at the Latest Practicable Date), will abstain from voting on the SGM approving the Agreements and the Annual Caps. Ms. Daisy Yeung has abstained from voting at the board meeting of the Company regarding the Agreements and Annual Caps.

The Independent Board Committee comprising Mr. Chu Kar Wing, Mr. Poon Yan Wai and Ms. Wan Choi Ha, all being the independent non-executive Directors, has been formed to advise the Independent Shareholders on the terms of the Agreements and the Annual Caps. We have been appointed and approved by the Independent Board Committee, as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Agreements and the Annual Caps. In our capacity as the independent financial adviser to the Independent Board Committee and the Independent Shareholders for the purposes of the Listing Rules, our role is to give you an independent opinion as to whether the terms of the Agreements and the Annual Caps are on normal commercial terms, in the ordinary course of business, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

As at the Latest Practicable Date, we are not connected with the directors, chief executive and substantial shareholders of the Company or any of their respective subsidiaries or their respective associates and, as at the Latest Practicable Date, did not have any shareholding, directly or indirectly, in any of their respective subsidiaries or their respective associates and, as at the Latest Practicable Date, did not have any shareholding, directly or indirectly, in any member of the Group or any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group. We were not aware of any relationships or interest between us and the Company or any other parties that could be reasonably be regarded as hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Agreements and the Annual Caps. We are eligible to give independent advice and recommendations on the Agreements and the Annual Caps. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, no arrangement exists whereby we will receive any fees from the Company, its subsidiaries, its associates or their respective substantial shareholders or associates. We have not acted as the independent financial adviser to the Company's other transactions during the last two years.

LETTER FROM VINCO CAPITAL

B. BASIS OF OUR OPINION AND RECOMMENDATION

In forming our opinion and recommendation, we have relied on the information, facts and representations contained or referred to in the Circular and the information, facts and representations provided by, and the opinions expressed by the Directors, management of the Company and its subsidiaries. We have assumed that all information, facts, opinions and representations made or referred to in the Circular were true, accurate and complete at the time they were made and continued to be true, accurate and complete as at the date of the Circular and that all expectations and intentions of the Directors, management of the Company and its subsidiaries, will be met or carried out as the case may be. We have no reason to doubt the truth, accuracy and completeness of the information, facts, opinions and representations provided to us by the Directors, management of the Company and its subsidiaries. The Directors have confirmed to us that no material facts have been omitted from the information supplied and opinions expressed. We have no reason to doubt that any relevant material facts have been withheld or omitted from the information provided and referred to in the Circular or the reasonableness of the opinions and representations provided to us by the Directors, management of the Company and its subsidiaries.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

We have relied on such information and opinions and have not, however, conducted any independent verification of the information provided, nor have we carried out any independent investigation into the business, financial conditions and affairs of the Group or its future prospect.

Based on the foregoing, we confirm that we have taken all reasonable steps to arrive at our opinion and recommendation, which are applicable to the terms of the Agreements and the Annual Caps, as referred to in Rule 13.80 of the Listing Rules (including the notes thereto).

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Agreements and the Annual Caps and, except for its inclusion in the Circular and for the purpose of the SGM, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

C. PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the terms of the Agreements and the Annual Caps, we have considered the following principal factors and reasons:

1. Background and reasons for the entering into of the Agreements

(i) Information of the Group

The Company is an investment holding 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 IPO financing; (ii) brokerage, wealth management and asset management; (iii) placing and underwriting services for listed issuers; and (iv) corporate finance advisory services.

(ii) Information on the Yeung Family

The Yeung Family is referred to as Ms. Daisy Yeung, the managing director of the Company, and her associates, but exclude the listed members of Emperor Group.

(iii) Information on the Emperor Group

The Emperor Group is referred to as AY Holdings, its subsidiaries and associates.

(iv) Reasons for entering into the 2015 Yeung Financial Services Agreement and 2015 Emperor Group Financial Services Agreement

The Company was listed on the main board of the Stock Exchange in 2007 and has long been providing various kinds of financial services, including but not limited to, brokerage, margin loan and IPO financing services to the Yeung Family and the listed members of the Emperor Group for years. The Yeung Family had also acted as places for securities underwritten or placed by the Group in the past. The financial services to be provided to the Yeung Family and the listed members of the Emperor Group are of the similar nature to those provided to ordinary clientele of the Group. As such, we are of the view that the entering into of the 2015 Yeung Financial Services Agreement and the 2015 Emperor Group Financial Services Agreement is conducted in the ordinary and usual course of business of the Company.

LETTER FROM VINCO CAPITAL

We noted that the amount of commission and brokerage on dealing in securities, futures and options trading and interest income from the Yeung Family were approximately HK\$3.16 million and HK\$8.93 million for each of the two financial years ended 30 September 2014, representing approximately 0.73% and approximately 1.63% of the Group's total revenue for the corresponding periods, and approximately HK\$3.57 million for the nine months ended 30 June 2015. Moreover, the total amount of commission and brokerage on dealing in securities, futures and options trading, interest income and corporate finance advisory fees from the listed members of the Emperor Group in aggregate were approximately HK\$1.76 million and HK\$30.00 million for each of the two financial years ended 30 September 2014, representing approximately 0.4% and approximately 5.5% of the Group's total revenue for the corresponding periods, and approximately HK\$1.91 million for the nine months ended 30 June 2015. Pursuant to the Previous Financial Services Agreements entered between the Company, Ms. Daisy Yeung and AY Holdings dated 28 September 2012 (reference can be made to the circular of the Company dated 9 November 2012), the Previous Financial Services Agreements will be expired on 30 September 2015. In order to allow the flexibility for the Group to continue to provide the financial services to the Yeung Family and the listed members of the Emperor Group, on 10 September 2015, the Company entered into the Agreements with Ms. Daisy Yeung and AY Holdings respectively.

Having considered that (i) the Group has been actively seeking new business opportunities and expanding its existing business, (ii) the entering into of the Agreements would allow the flexibility of the Group to provide financial services to the Yeung Family and listed members of the Emperor Group which is in line with the dedication of the Group in expanding its business, and (iii) the historical and potential revenue contribution from the Yeung Family and the listed members of the Emperor Group which can enhance revenue portfolio of the Group, we concur with the view of the Directors that the entering into of the Agreements is in the interests of the Company and the Shareholders as a whole.

2. Principal terms of the 2015 Yeung Financial Services Agreement

The following table summarizes the major terms of the 2015 Yeung Financial Services Agreement:

| | |
|-------------------|--|
| Date: | 10 September 2015 |
| Effective period: | From 1 October 2015 to 30 September 2018 |
| Parties: | The Company Ms. Daisy Yeung |

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| LETTER FROM VINCO CAPITAL |
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| Nature of transactions contemplated thereunder: | Provides (i) brokerage services for securities, futures and options trading; (ii) wealth management and asset management services; (iii) financing services including margin loans, IPO loans and term loans; (iv) financial advisory services to the Yeung Family; and (v) the commission and fee to be paid to the Yeung Family for their acting as placees or underwriters for the securities of the Company or for the securities underwritten or placed by the Group and referral fee for introducing clients to the Group relating to the Group's business |
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Set out below are the Yeung Proposed Annual Caps under the 2015 Yeung Financial Services Agreement:

| Yeung Proposed Annual Caps For the financial year ending 30 September | | | |
|--|-------------------------|-------------------------|-------------------------|
| | 2016 | 2017 | 2018 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| (i) Commission, brokerage, fees and interest income from the Yeung Family | 99,000 | 103,000 | 108,000 |
| (ii) Maximum margin loan amount to the Yeung Family | 600,000 | 600,000 | 600,000 |
| (iii) Maximum IPO loan amount to the Yeung Family | 200,000 | 200,000 | 200,000 |
| (iv) Maximum term loan amount to the Yeung Family | 280,000 | 280,000 | 280,000 |
| (v) Financial advisory fee from the Yeung Family | 10,000 | 12,000 | 15,000 |
| (vi) Commission and fee payment to the Yeung Family for their services being provided to the Group | <u>31,000</u> | <u>36,000</u> | <u>44,000</u> |
| Total | <u>1,220,000</u> | <u>1,231,000</u> | <u>1,247,000</u> |

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Pursuant to the 2015 Yeung Financial Services Agreement, the provision of the financial services by the Group to the Yeung Family shall be on normal commercial terms and at rates no more favourable than those available to other Independent Third Parties. In addition, the commission and fee to be paid by the Group to the Yeung Family shall also be on normal commercial terms and in accordance with the market price and practice, and in any event no more favourable than those available to Independent Third Parties.

For our due diligence purpose, we have reviewed (i) the Group's internal record of the Yeung Family and the Independent Third Parties regarding their respective dealing in securities, futures and options trading, margin financing and IPO financing; and (ii) the sub-underwriting letters entered into between (a) the Group and the Yeung Family and (b) the Group and Independent Third Parties, for their acting as sub-underwriters for the securities underwritten or placed by the Group. We have also reviewed the engagement letters entered between the Group and the Yeung Family and the Independent Third Parties on financial advisory services. We noted that similar terms and clauses including but not limited to (i) the brokerage commission rate; (ii) margin financing interest rate; (iii) default interest rate; (iv) guarantor; (v) IPO loan interest rate; (vi) sub-underwriting commission; (vii) sub-underwriting undertaking; and (viii) advisory fee for the financial advisory services were offered to the Yeung Family and the Independent Third Parties. Furthermore, in order to assess whether the terms of financial services offered to the Yeung Family previously were in line with those offered in the market, we have reviewed (i) twenty published announcements of listed companies regarding placing of securities from the website of the Stock Exchange for three months, (ii) commission and brokerage rates quoted by four brokerage firms in Hong Kong, and (iii) the interest rates on margin loans and IPO loans offered by certain brokerage firms in the market. We noted that the principal terms thereunder were generally comparable to those offered by the Group to the Yeung Family as mentioned above and we were not aware of any material difference between the terms of the market comparables and those offered by the Group to the Yeung Family.

As confirmed by the Directors, going forward the rates, fees and terms for various financial services to be offered to the Yeung Family will be similar to those offered by the Group to Independent Third Parties clients, which will be determined with reference to (i) the then prevailing market price and practice of the major securities broking firms in the relevant market (i.e. the current market commission and brokerage fees on dealing in securities in Hong Kong range from 0.1% to 0.25% of the transaction amount) and after considering the trading volume, creditworthiness and financial standing of the clients and the prevailing market condition; (ii) the then prevailing market price and practice of the wealth and asset managers in the market (i.e. the basic management fee in the market is currently charged at 2.5% or below of the asset value per annum, whereas performance fee varies widely from nil up to 20% of the appreciation of asset value or on the amount of return upon meeting certain benchmark or target. The amount of performance fee highly depends on the percentage of the basic management fee, the lower the basic management fee, the higher will be the performance fee and vice versa). The fee

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structure may vary widely and range may widen in accordance with the investment objective, type of investment (e.g. equity, bond or mix assets), the geographical region where assets are invested, the asset size to be managed, the market risk, the risk acceptance level of clients and the investment opportunities in the financial market from time to time; (iii) the then prevailing market price and practice of the money lending corporations in the market (i.e. the current market interest rate for securities margin financing in Hong Kong ranges from Prime Rate minus 0.5% to Prime Rate plus 5% per annum of the margin loan amount, whereas the interest rate for margin financing involving acquisition of a substantial interest in a listed company in Hong Kong and/or making a general offer to acquire issued shares of a listed company in Hong Kong under the Takeovers Code, the interest rate ranges from 1% to 3% per month. For the IPO loan, the current market interest rate is 2% per annum or below of the IPO loan amount and varies from case to case on each IPO. For the term loan, the current market interest rate ranges from 9% to 39% per annum of the term loan amount). The rates may vary widely and range may widen in accordance with the maximum exposure of the credit risk, the security or surety of the loans, creditworthiness and financial standing of the clients and the prevailing market condition; (iv) the then prevailing market price and practice of other financial advisers providing similar services in the market as well as considering the size and type of transaction, the manpower to be allocated and the business relationship with the clients; (v) the then prevailing market price and practice of market participants in the market (i.e. the current market placing and underwriting commission ranges from 0.5% to 5% of the relevant amount) and after considering the underwriting risks, the market price, liquidity and the nature of relevant securities, the market capitalization of the issuers, the size of the underwriting amount and the prevailing market condition; and (vi) the respective commercial considerations in relation to that type of services, such as the scale and size of the transactions, the relationship with the client, the credit risk exposure, creditworthiness and financial standing of the clients. The referral fees will be a percentage of the transaction or a lump sum, and the amount will depend on the then prevailing market price and practice of market participants in the market and will be adjusted upwards or downwards as from case to case based on the relevant commercial considerations.

3. Principal terms of the 2015 Emperor Group Financial Services Agreement

The following table summarizes the major terms of the 2015 Emperor Group Financial Services Agreement:

| | |
|-------------------|--|
| Date: | 10 September 2015 |
| Effective Period: | From 1 October 2015 to 30 September 2018 |
| Parties: | The Company AY Holdings |

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| Nature of transactions contemplated thereunder: | Provides to the listed members of the Emperor Group (i) brokerage services for securities, futures and options trading; (ii) wealth management and asset management services; (iii) placing and underwriting services; (iv) financing services including margin loans, IPO loans and term loans; and (v) financial advisory services |
|---|--|

Set out below are the Emperor Group Proposed Annual Caps under the 2015 Emperor Group Financial Services Agreement:

| Emperor Group Proposed Annual Caps | | | |
|---|------------------|------------------|------------------|
| For the financial year ending | | | |
| 30 September | | | |
| | 2016 | 2017 | 2018 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| (i) Commission, brokerage and fees and interest income from the listed members of the Emperor Group | 230,000 | 245,000 | 262,000 |
| (ii) Maximum margin loan amount to the listed members of the Emperor Group | 600,000 | 600,000 | 600,000 |
| (iii) Maximum IPO loan amount to the listed members of the Emperor Group | 70,000 | 70,000 | 70,000 |
| (iv) Maximum term loan amount to the listed members of the Emperor Group | 280,000 | 280,000 | 280,000 |
| (v) Financial advisory fee from the listed members of the Emperor Group | 13,000 | 17,000 | 20,000 |
| Total | 1,193,000 | 1,212,000 | 1,232,000 |

Pursuant to the 2015 Emperor Group Financial Services Agreement, the provision of the Emperor Group financial services by the Group to the listed members of the Emperor Group shall be on normal commercial terms in accordance with market price and practice and at any event no more favourable than those available to other Independent Third Parties.

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For our due diligence purpose, we have reviewed the Group's internal record of the listed members of the Emperor Group and the Independent Third Parties regarding their respective dealing in securities, futures and options trading, margin financing and IPO financing. We have also reviewed the engagement letters entered between the Group and the listed members of the Emperor Group and the Independent Third Parties on financial advisory services. We noted that similar terms and clauses including but not limited to (i) the brokerage commission rate; (ii) margin financing interest rate; (iii) default interest rate; (iv) guarantor; (v) IPO loan interest rate; (vi) sub-underwriting commission; (vii) sub-underwriting undertaking; and (viii) advisory fee for the financial advisory services were offered to the listed members of the Emperor Group and the Independent Third Parties. Furthermore, we have reviewed twenty published announcements of listed companies from the website of the Stock Exchange regarding placing of securities for three months. We noted that the placing commission rates were generally within the range of those charged by other placing agents in the market and the principal terms thereunder were generally comparable to those offered by the Group to the listed members of the Emperor Group as mentioned above and we were not aware of any material difference between the terms of the market comparables and those offered by the Group to the listed members of the Emperor Group.

As confirmed by the Directors, going forward the rates, fees and terms for various financial services to be offered to the listed members of the Emperor Group will be similar to those offered by the Group to Independent Third Parties clients, which will be determined with reference to (i) the then prevailing market price and practice of the major securities broking firms in the relevant market (i.e. the current market commission and brokerage fees on dealing in securities in Hong Kong range from 0.1% to 0.25% of the transaction amount) and after considering the trading volume, creditworthiness and financial standing of the clients and the prevailing market condition; (ii) the then prevailing market price and practice of the wealth and asset managers in the market (i.e. the basic management fee in the market is currently charged at 2.5% or below of the asset value per annum, whereas performance fee varies widely from nil up to 20% of the appreciation of asset value or on the amount of return upon meeting certain benchmark or target. The amount of performance fee highly depends on the percentage of the basic management fee, the lower the basic management fee, the higher will be the performance fee and vice versa). The fee structure may vary widely and range may widen in accordance with the investment objective, type of investment (e.g. equity, bond or mix assets), the geographical region where assets are invested, the asset size to be managed, the market risk, the risk acceptance level of clients and the investment opportunities in the financial market from time to time; (iii) the then prevailing market price and practice of market participants in the market (i.e. the current market placing and underwriting commission ranges from 0.5% to 5% of the relevant amount) and after considering the underwriting risks, the market price, liquidity and the nature of relevant securities, the market capitalization of the issuers, the size of the underwriting amount and the prevailing market condition; (iv) the then prevailing market price and practice of the money lending corporations in the market (i.e. the current market interest rate for securities margin financing in Hong Kong ranges from Prime Rate minus 0.5% to Prime Rate plus 5% per annum of the margin loan amount, whereas the interest rate for margin financing involving acquisition of a substantial interest in a listed company in Hong Kong and/or making a general offer to acquire issued shares of a listed company in Hong Kong under the

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Takeovers Code, the interest rate ranges from 1% to 3% per month. For the IPO loan, the current market interest rate is 2% per annum or below of the IPO loan amount and varies from case to case on each IPO. For the term loan, the current market interest rate ranges from 9% to 39% per annum of the term loan amount). The rates may vary widely and range may widen in accordance with the maximum exposure of the credit risk, the security or surety of the loans, creditworthiness and financial standing of the clients and the prevailing market condition; and (v) the then prevailing market price and practice of other financial advisers providing similar services in the market as well as considering the size and type of transaction, the manpower to be allocated and the business relationship with the clients.

4. Basis of the Yeung Proposed Annual Caps and the Emperor Group Proposed Annual Caps

The Yeung Proposed Annual Caps and the Emperor Group Proposed Annual Caps were determined by the Company after taking into consideration the principal factors as set out under the sections headed “Yeung Proposed Annual Caps” and “Emperor Group Proposed Annual Caps” in the Letter from the Board.

- (i) *Commission, brokerage fee and interest income from the Yeung Family and the listed members of the Emperor Group*

In determining the proposed annual cap for the commission and brokerage fee on dealing in securities, futures and options trading and interest income from the Yeung Family, the Directors have made reference to the Group’s increased revenue in relation to commission and brokerage income from dealings in securities, futures and options and interest income from margin loan, IPO loan and other financings. We have reviewed the basis and the assumptions of the annual caps for the commission and interest income from the Yeung Family and the listed members of the Emperor Group respectively. We noted that the cap for the commission and brokerage fee and interest income from the Yeung Family was arrived by taken into consideration of (i) historical compounded annual growth rate of the Group’s commission and brokerage income on dealing in securities, futures and option contracts for the period from financial years 2012 to 2015; (ii) the average historical percentage of the Yeung Family’s commission and brokerage income to that of the Group over the two financial years ended 30 September 2014 and the ten months ended 31 July 2015; and (iii) the potential increase in interest income generated from the enlarged caps for maximum margin loan and term loan under the 2015 Yeung Financial Services Agreement.

Regarding the cap for the commission and brokerage income and interest income from the listed members of the Emperor Group, we have reviewed (i) the historical amounts of the Group’s commission and brokerage fee on securities, futures and options trading, from acting as placing agent or underwriter for the listed members of the Emperor Group for the two financial years ended 30 September 2014 and for the ten months ended 31 July 2015; (ii) the historical fund raising amounts of the listed members of the Emperor Group and the corresponding monetary value of the securities that were underwritten by Emperor Securities Limited, a member of the Group, for the two financial years ended 30 September 2014 and for the ten months ended

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30 July 2015. We noted that the annual cap was arrived by taken into consideration of (i) the potential placing and underwriting commission income from the listed members of the Emperor Group by referencing with the latest net asset value of the listed members of the Emperor Group and multiplied by the historical proportion of the equity or debt securities that raised by the listed members of the Emperor Group and its respective commission rate, (ii) the potential increase in interest income generated from the enlarged caps for maximum IPO loan, margin loan and term loan under the 2015 Emperor Group Financial Services Agreement due to the expected increase in maximum loan amount. As confirmed by the Directors, the Group had been in negotiation with the Yeung Family and the listed member of the Emperor Group during the Period for certain margin loan and term loan proposals and the size of loan amount was similar to those advanced to individual Independent Third Parties during the Period. However, since the respective cap amount was inadequate to meet the timing constraints of those investment projects, the proposed loans did not proceed. Based on our discussion with the management of the Company and according to historical amounts, the highest amount of margin loan, IPO loan and term loan advanced to individual Independent Third Parties during the Period (amounting approximately of HK\$360 million, HK\$162.7 million and HK\$280 million respectively). The increase in maximum loan amount to the Yeung Family and the listed members of the Emperor Group is expected to be similar to the highest amount of margin loan, IPO loan and term loan advanced to individual Independent Third Parties. As a result of aforesaid, the interest income from margin loan, IPO loan and term loan may increase significantly and we consider that the previous cap amount would be insufficient. We also understand from the Directors that a portion of the annual caps have included a cushion to cater for potential fluctuations in the maximum amount of margin loan, IPO loan and term loan from the Group to the Yeung Family and the listed member of the Emperor Group. Given that the size of the margin loan, IPO loan and term loan may varies, we are of the view that inclusion of a buffer is justifiable. Riding on the implementation of the Shanghai-Hong Kong Stock Connect scheme which was launched on 17 November 2014 by the Stock Exchange and the Shanghai Stock Exchange, the Directors are optimistic about the market condition in Hong Kong in the near future and expect there would be more dealing activities of securities, futures and options or financing activities arising from the investments and business expansion of listed members of the Emperor Group.

In light of the above and given that such caps are of revenue nature which will inevitably enable the Group to capture the potential business opportunities, from the Yeung Family and the listed members of the Emperor Group and therefore increase the revenue of the Group, we consider that the proposed annual caps for commission and interest income from the Yeung Family and the listed members of the Emperor Group for the three financial years ending 30 September 2018 to be fair and reasonable as far as the Company and the Independent Shareholders are concerned.

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(ii) Maximum margin loan and term loan to the Yeung Family and the listed members of the Emperor Group

In determining the proposed annual caps for the maximum margin loan and term loan to the Yeung Family and the listed members of the Emperor Group, the Directors have made reference to the (i) the maximum amounts and the growth of margin loans advanced to the Yeung Family and to individual Independent Third Parties for the two financial years ended 30 September 2014 and for the ten months ended 31 July 2015; (ii) the maximum amount of term loan advanced to individual Independent Third Parties for the two financial years ended 30 September 2014 and for the ten months ended 31 July 2015; and (iii) the Group's accelerating business expansion in its loan and financing business.

We have also discussed with the Directors regarding those principal factors in determining the caps for the maximum margin loan and term loan to the Yeung Family and the listed members of the Emperor Group. We noted that there are substantial changes in the caps for the maximum margin loan as compared to those in the Previous Financial Services Agreements. Among the others, both of the annual caps for maximum margin loan amount to the Yeung Family and the listed members of the Emperor Group has been increased to HK\$600 million and there are additions of annual caps for maximum term loan amount to the Yeung Family and the listed members of the Emperor Group up to HK\$280 million respectively. As advised by the Directors, the Group has been placing continuous efforts on business development and pursuing sustainable long term growth under the gradual recovery of the local financial markets. As stated in the interim report 2014/2015, the Group has strengthened its position in the commercial lending market and expanded its loan and financing business. The Group had transformed from a traditional local brokerage house to a one-stop financial institution with wide exposure in both Hong Kong and the Mainland and developed a sturdy business model with varied income streams in order to withstand an increasingly complex market conditions. After a series of the fund raising activities during the Period, the Group has raised the net proceeds of approximately HK\$432.6 million, HK\$1,281.5 million and HK\$596 million from (i) the share subscription and the share placing; (ii) the rights issue and share placing; and (iii) the bond placing and open offer of bonds in July 2015, in June 2015 and in November 2013 respectively, the Group has substantially enlarged its capital base and available fund. In light of the active expansion of the loan and financing business of the Group (including expanding into the second mortgage financing) in recent years and the additional fund available for its money lending business and in order to efficiently utilise the capital available, the Group is actively seeking potential clients, whether individual Independent Third Parties or connected persons, in need of financing. As confirmed by the Directors, there were occasions where certain financing requests of the Yeung Family and the listed members of the Emperor Group were turned down due to the proposed projects did not materialised or such business opportunities were lost simply because the cap amounts for loans under the Yeung Previous Annual Caps and the Emperor Group Previous Annual Caps were insufficient, and would otherwise take considerable amount of time to obtain the approval from Independent

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Shareholders for granting loans which exceed the cap. Also, we found that it is not uncommon or extraordinary for the Group to provide loans with substantial amount. Instead, it is in the ordinary course of business of the Group's money lending business. With reference to the announcements of the Company announced in 2015, we noted that the Group has also been providing similar financing service to Independent Third Parties, including five term loans of HK\$186 million, HK\$280 million, HK\$230 million, HK\$280 million and HK\$200 million on 12 August 2015, 24 April 2015, 21 April 2015, 11 March 2015 and 27 January 2015 respectively. Given that the Yeung Family and the listed members of the Emperor Group may have financing needs which could require substantial amount of financing in a timely manner, the increased annual caps for margin loan and term loan will therefore enable the Group to capture the potential business opportunities from the Yeung Family and the listed members of the Emperor Group.

As advised by the Directors, the Group experienced a substantial growth in its money lending business. With reference to the historical amounts of the Group's interest income from term loans for the financial year ended 30 September 2014 which was increased by approximately 165% as compared to that for the financial year ended 30 September 2012. Besides, there are substantial increase in the highest amount of margin loan and term loan advanced to individual Independent Third Parties. Interest income from margin financing reflecting the fact that the interest income from margin financing has substantially increased by 320% from approximately HK\$38 million for the financial year 2012 to HK\$161 million for the financial year 2014. In determining the proposed annual caps on the maximum margin loan and term loan to the Yeung Family and the listed members of the Emperor Group, such factor has been taken into consideration since it reflects (i) the scale of loan demanding in the market, (ii) the current scale of the Group's money lending business, and (iii) whether such caps are comparable to the loans advanced to individual Independent Third Parties. As confirmed by the Directors, the maximum amounts for margin loan and term loan granted to a single Independent Third Party client were increased significantly during the Period, and the Directors expect that the maximum amount of margin loans and term loans to be advanced to the Yeung Family and listed members of the Emperor Group will increase in the same pattern to the individual Independent Third Parties, because of accelerating business expansion in loan and financing business. Given the improving market conditions, the Directors expect that more term loan and margin financing business will arise from the Yeung Family and the listed members of the Emperor Group in the coming financial years.

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Having considered the above, we are of the view that the proposed annual caps for maximum margin loan and term loan to the Yeung Family and the listed members of the Emperor Group for the three financial years ending 30 September 2018 to be fair and reasonable as far as the Company and the Independent Shareholders are concerned.

(iii) Maximum IPO loan to the Yeung Family and the listed members of the Emperor Group

In determining the proposed annual caps for the maximum IPO loan to the Yeung Family and the listed members of the Emperor Group, according to the historical amounts of maximum IPO financing granted to Yeung Family during recent years, the said maximum IPO loan has substantially increased by 2,220% from approximately HK\$0.54 million for the financial year 2012 to approximately HK\$12.5 million for the financial year 2014.

With reference to the market statistics available on the website of the Stock Exchange, between the year 2012 and the year 2014, the number of newly listed companies in both main board and GEM board (excluding the transfer of listing from GEM board to main board and listed by way of introduction which do not raise any funds) increased by approximately 81.6% from 60 for the year 2012 to 109 for the year 2014 and the average fund raising amount of Hong Kong IPO market increased by approximately 42%. In addition, as confirmed by the Directors, the maximum amount of IPO loan advance to a single Independent Third Party client has increased significantly by approximately 628% from approximately HK\$22 million for the financial year 2012 to approximately HK\$163 million for the financial year 2014. The Directors expect that the Group's IPO loan business will remain active, it is necessary to remain the annual cap for the maximum amount of IPO loan to the Yeung family at HK\$200 million and increase the annual cap for the maximum amount of IPO loan to the listed members of the Emperor Group to HK\$70 million in order to provide the flexibility for any potential IPO trading activities from the Yeung Family and the listed members of the Emperor Group in coming financial years. As such, the annual cap for the maximum amount of IPO loan to the Yeung Family and to the listed members of the Emperor Group will remain unchanged at HK\$200 million and will increase to HK\$70 million respectively.

Having considered the above and the potential capital needs on IPO trading activities from the Yeung Family and the listed members of the Emperor Group, we concur with the view of the Directors that the proposed annual caps for the maximum IPO loan to the Yeung Family and the listed members of the Emperor Group for the three financial years ending 30 September 2018 are fair and reasonable as far as the Company and Independent Shareholders are concerned.

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(iv) Financial advisory fee from the Yeung Family and the listed members of the Emperor Group

In determining the proposed annual caps for the financial advisory fee from the Yeung Family and the listed members of the Emperor Group, the Directors have taken into consideration of (i) the historical amount of advisory fee received from the Yeung Family and listed members of the Emperor Group for the two financial years ended 30 September 2014 and for the ten months ended 31 July 2015; (ii) various types of financial advisory services provided to the Yeung Family and the listed members of the Emperor Group in the past; and (iii) a buffer based on the Directors' anticipation that there will be increasing trend in the financial advisory fee with reference to the market condition and sentiment.

We noted that the annual cap for the financial advisory fee from the Yeung Family will increase progressively from HK\$2.5 million for 2015 to HK\$15 million for 2018 while that of the listed members of the Emperor Group will increase from HK\$8 million for 2015 to HK\$20 million for 2018 in coming three financial years. As advised by the Directors, the Group provides project-based advisory services to both the Yeung Family and the listed members of the Emperor Group and also on-going advisory services to listed members of the Emperor Group. We noted that historically the financial advisory fee from the listed members of the Emperor Group was approximately HK\$1.88 million for the nine months ended 30 June 2015 and HK\$1.74 million for the financial year ended 30 September 2014. It is of the view that the Group will continue to be engaged as financial adviser to the Yeung Family and the listed members of the Emperor Group and their investment projects are expected to continue to increase in the coming financial three years. As confirmed by the Directors, the Yeung Family and the listed members of the Emperor Group has preliminary considered several potential investment projects during the last three financial years, the Directors expect that the Yeung Family and the listed members of the Emperor Group will continue to engage the Group to advise on any potential acquisition transactions and potential initial public offering case in coming few years. In addition, the Directors also expect that there may be increase in the market price of financial advisory fees in view of increasing overhead expenses, such as rental expense and salaries, and as such, there is a need to include increasing annual caps for financial advisory fee from the Yeung Family and the listed members of the Emperor Group.

Having considered the above and the fact that the advisory fees, depending on the types and nature of the transactions, may vary substantially and could be in considerable amount, we are of the view that the proposed annual caps for the financial advisory fee from the Yeung Family and the listed members of the Emperor Group for the three financial years ending 30 September 2018 to be fair and reasonable as far as the Company and the Independent Shareholders are concerned.

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(v) Commission and referral fee payable to the Yeung Family

In determining the annual cap for the commission and referral fee payable to the Yeung Family, the Directors have made reference to the amount of commission and fee paid by the Group to the Yeung Family for their acting as both placees or sub-underwriters of the securities placed or underwritten by the Group for the two financial years ended 30 September 2014 and for the ten months ended 31 July 2015. Having considered two new areas which are commission payment to the Yeung Family for acting as underwriter for the securities of the Group and referral fee to be paid to the Yeung Family, the utilised amount for the previous annual cap and the increasing opportunities for the Yeung Family acting as placees and sub-underwriter, we consider that the previous cap amount may be insufficient for forthcoming opportunities in view of the Directors' anticipated market sentiment.

We note that the annual cap for the commission and fee payment to Yeung Family was arrived by taking into consideration of (i) the substantial increase in market capitalization of the Company by approximately 345% from approximately HK\$831 million as at 31 August 2012 to approximately HK\$3,679 million as at 9 September 2015, (ii) the additional referral fee payable to the Yeung Family in relation to the new referral scheme to be implemented, the referral fee to the Yeung Family depending on the brokerage income to be generated from the new business to be referred by the Yeung Family. The Directors also expect that the annual growth rate of client's turnover and the client base will be increased continuously under the business expansion of both the Group and the Yeung Family, in return the referral fee to be paid to the Yeung Family for promoting the Group's securities business would be higher under increasing client base in the Yeung Family. As a result, the annual cap for the commission and fee payment to the Yeung Family in Previous Yeung Financial Services Agreement is expected to be insufficient. It is therefore essential to increase the annual cap continuously to cater for the expected increase in business of the Group resulted from the payment of commission fee to the Yeung Family as underwriter for the securities of the Group and extra referral fee under the new referral scheme.

Having considered the above, we concur with the view of the Directors that the proposed annual caps for the commission and fee payment to the Yeung Family for the three financial years ending 30 September 2018 are fair and reasonable as far as the Company and Independent Shareholders are concerned.

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D. CONCLUSION

Having considered the above reasons, we are of the view that the Agreements and the Annual Caps are entered into in the ordinary and usual course of business of the Group and on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM in this regard.

Yours faithfully,
For and on behalf of
Grand Vinco Capital Limited
Alister Chung
Managing Director

Note: Mr. Alister Chung is a licensed person registered with the Securities and Future Commission of Hong Kong and a responsible officer of Grand Vinco Capital Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has participated in the provision of independent financial advisory services for various transactions involving companies listed in Hong Kong for over 10 years.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules on the Stock Exchange 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) Interests of Directors

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying shares and 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 they were taken or deemed to have under such provisions of the SFO) or the Model Code for Securities Transactions by Directors of Listed Issuers, or which were required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO were as follows:

(i) Long position in the Shares

| Name of Director | Capacity/Nature of interest | Number of Shares interested | Approximate percentage holding |
|---------------------------|-----------------------------|-----------------------------|--------------------------------|
| Ms. Daisy Yeung | Beneficiary of a trust | 2,545,309,360 (Note) | 44.28% |
| Ms. Daisy Yeung | Beneficial owner | 18,000,000 | 0.31% |
| Mr. Chan Shek Wah | Beneficial owner | 20,457,000 | 0.36% |
| Ms. Choi Suk Hing, Louisa | Beneficial owner | 4,680,000 | 0.08% |
| Ms. Pearl Chan | Beneficial owner | 2,925,000 | 0.05% |

Note: These shares were held by Emperor Capital Holdings, a wholly-owned subsidiary of AY Holdings. AY Holdings was held by STC International Limited, being the trustee of AY Trust. Ms. Daisy Yeung, the Managing Director and being one of the eligible beneficiaries of the AY Trust, also had deemed interests in such Shares.

(ii) Long position in underlying shares of the Company

| Name of Director | Capacity/Nature of interest | Exercise price (HK\$) | Number of underlying Shares held | Approximate percentage holding |
|---------------------------|-----------------------------|-----------------------|----------------------------------|--------------------------------|
| Ms. Daisy Yeung | Beneficial owner | 0.247 | 55,250,247 | 0.96% |
| Mr. Chan Shek Wah | Beneficial owner | 0.247 | 55,250,247 | 0.96% |
| Ms. Choi Suk Hing, Louisa | Beneficial owner | 0.247 | 12,625,386 | 0.22% |
| Ms. Pearl Chan | Beneficial owner | 0.247 | 7,892,892 | 0.13% |

Note: These were share options granted to the Directors pursuant to the share option scheme of the Company. The exercise price and the number of underlying shares under the share options had been adjusted with effect from 4 June 2015 as a result of the rights issue of shares by the Company.

Saved as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company and their associates had any interests or short positions in any Shares, underlying shares and debentures of the Company or any associated corporation (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 they were taken or deemed to have under such provisions of the SFO) or the Model Code for Securities Transactions by Directors of Listed Issuers, or which were required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO.

(b) Interests of other persons

As at the Latest Practicable Date, so far as is known to the Directors or the chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had an interest or short position in the Shares and underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register maintained by the Company pursuant to Section 336 of the SFO, or who were, directly or indirectly, interested in 10% or more of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group:

(i) Long position in the Shares

| Name of shareholders | Capacity/Nature of interest | Number of Shares interested | Approximate percentage holding |
|-----------------------------|--------------------------------------|-----------------------------|--------------------------------|
| AY Holdings | Interest in a controlled corporation | 2,545,309,360 | 44.28% |
| STC International Limited | Trustee | 2,545,309,360 | 44.28% |
| Dr. Yeung Sau Shing, Albert | Founder of a discretionary trust | 2,545,309,360 | 44.28% |
| Ms. Luk Siu Man, Semon | Interest of spouse | 2,545,309,360 | 44.28% |

Note: These Shares are the same Shares which Ms. Daisy Yeung has deemed interests (being beneficiary of a trust) as disclosed under Section (a)(i) of "Interest of Directors – Long position in the Shares" above.

Save as disclosed above, the Directors or the chief executive of the Company were not aware that there was any 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 of the Company which would fall to be disclosed to the Company 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 any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group.

3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has entered into or proposed to enter into any service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

4. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective associates has any interest in businesses which are considered to compete or are likely to compete, either directly or indirectly, with the businesses of the Group as required to be disclosed pursuant to the Listing Rules.

5. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS

Various tenancy agreements entered into between a subsidiary of the Company as tenant and companies controlled by the AY Trust as landlords in respect of the following premises: (1) Unit 603, 6/F, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 851 sq. ft. at monthly rental of HK\$24,253.50; (2) Unit 606, 6/F, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 1,510 sq. ft. at monthly rental of HK\$43,035; (3) 24/F, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 9,323 sq. ft. at monthly rental of HK\$308,000; (4) Portion of Shop 6 on G/F, 1/F and canopy adjacent thereto and 2/F, East Ocean Court, 525 Shanghai Street, Mongkok, Kowloon, Hong Kong with a gross floor area of 4,269 sq. ft. at monthly rental of HK\$210,000; and (5) Unit 604, 6/F, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 2,230 sq. ft. at monthly rental of HK\$63,555.

Details of the above agreements have been set out in the announcements of the Company dated 13 September 2013, 31 March 2014 and 23 December 2014. Ms. Daisy Yeung has deemed interest in the above agreements by virtue of being one of the eligible beneficiaries of the AY Trust.

Save as disclosed above, none of the Directors had any interests, either directly or indirectly, 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 30 September 2014 (being the date to which the latest published audited consolidated accounts of the Group were made up). Save for the Agreements in which Ms. Daisy Yeung has deemed interests, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and was significant in relation to the business of the Group.

6. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 30 September 2014, being the date to which the latest published audited financial statements of the Group were made up.

7. EXPERT AND CONSENT

The following is the qualification of the expert who has been named in this circular or has given an opinion or advice which are contained in this circular:

| Name | Qualification |
|---------------|--|
| Vinco Capital | a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO) |

Vinco Capital has given and has not withdrawn its written consent to the issue of this circular with reference to its name and its letter in the form and context in which it appears.

As at the Latest Practicable Date, Vinco Capital does not have any shareholding, directly or indirectly in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group.

As at the Latest Practicable Date, Vinco Capital does not have any interest, direct or indirect, in any assets which since 30 September 2014, the date to which the latest published audited financial statements of the Group were made up, have been acquired or disposed of by or leased to any member.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copy of the following documents are available for inspection during 9:00 a.m. to 5:00 p.m. on any weekday (except for Saturdays and public holidays) at 28/F, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong for a period of 14 days from the date of this circular:

- (a) the Agreements;
- (b) the letter from the Independent Board Committee, the text of which is set out on page 27 of this circular;
- (c) the letter of advice from Vinco Capital, the text of which is set out on pages 28 to 45 of this circular; and
- (d) written consent of Vinco Capital referred to in the paragraph headed "Expert and Consent".

9. MISCELLANEOUS

The English text of this circular and the accompanying form of proxy shall prevail over their respective Chinese text.

NOTICE OF SPECIAL GENERAL MEETING



英皇證券集團有限公司* Emperor Capital Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 717)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “SGM”) of Emperor Capital Group Limited (the “Company”) will be held at 28th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong on Thursday, 19 November 2015 at 3:00 p.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution of the Company:

ORDINARY RESOLUTION

“THAT:

- (a) the agreement dated 10 September 2015 entered into between the Company and Ms. Daisy Yeung in relation to the provision of financial services between the Company and its subsidiaries (the “Group”) on one part and Ms. Daisy Yeung and her associates (the “Yeung Family”) on the other part, a copy of which marked “A” has been tabled before the meeting and initialed by the chairman of the meeting for identification purpose, and the transactions contemplated thereunder and the execution of which be and are hereby approved, ratified and confirmed;
- (b) the agreement dated 10 September 2015 entered into between the Company and Albert Yeung Holdings Limited in relation to the provision of financial services by the Group to the listed members of Albert Yeung Holdings Limited, its subsidiaries and associates (the “Emperor Group”), a copy of which marked “B” has been tabled before the meeting and initialed by the chairman of the meeting for identification purpose, and the transactions contemplated thereunder and the execution of which be and are hereby approved, ratified and confirmed;
- (c) the Yeung Proposed Annual Caps (as defined and more particularly described in the circular of the Company to its shareholders dated 30 October 2015) be and is hereby approved;
- (d) the Emperor Group Proposed Annual Caps (as defined and more particularly described in the circular of the Company to its shareholders dated 30 October 2015) be and is hereby approved; and

* for identification purposes only

NOTICE OF SPECIAL GENERAL MEETING

- (e) any director of the Company be and is hereby authorized on behalf of the Company to sign, seal, execute, perfect and deliver all such documents and do all such deeds, acts, matters and things as he/she may in his/her discretion consider necessary or desirable for the purpose of or in connection with (a) to (d) above.”

By order of the Board
Emperor Capital Group Limited
Choi Suk Hing, Louisa
Company Secretary

Hong Kong, 30 October 2015

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

Principal Office:
24th Floor
Emperor Group Centre
288 Hennessy Road,
Wanchai, Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies (if he/she is a holder of more than one share) to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be in writing under the hand of the appointor or his/her attorney duly authorized in writing, or if the appointor is a corporation, either under its common seal, or under the hand of an officer or attorney duly authorized on that behalf, and must be deposited at the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney, not less than 48 hours before the time for holding the meeting or any adjourned meeting.
3. Where there are joint holders of any share, any one of such joint holders may vote, either in person or by proxy in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holder(s), and, for this purpose, seniority shall be determined by the order in which the names stand in the register in respect of the joint holding of such share.
4. Completion and delivery of the form of proxy will not preclude a member from attending and voting in person at the meeting if the member so desires and in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. Pursuant to Rule 13.39(4) of the Listing Rules, the resolution as set out in this notice will be decided by poll at the above meeting. Where the Chairman in good faith decides to allow a resolution which relates purely to a procedural or administrative matter to be voted, such resolution will be decided by a show of hands.
6. If typhoon signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 1:00 p.m. and before the above meeting time, the meeting will be postponed. The Company will post an announcement on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (<http://www.emperorcapi.com>) to notify shareholders of the date, time and place of the rescheduled meeting.

This circular (in both English and Chinese versions) is available to any Shareholder either in printed form or on the Company's website at <http://www.emperorcapiatal.com>. In order to protect the environment, the Company highly recommends Shareholders to elect to receive electronic copy of this circular. Upon written request, a free printed version of this circular will be sent to Shareholders who have elected to receive electronic copy but for any reason have difficulty in receiving or gaining access to this circular through the Company's website. Shareholders may have the right to change their choice of receipt of all future corporate communications at any time by reasonable notice in writing to the Company or the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited, by post at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong or by email at is-enquiries@hk.tricorglobal.com.