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*This announcement appears for information purposes only and does not constitute an offer or invitation to acquire, purchase or subscribe for New Media Shares.*



**英皇證券集團有限公司\***

**Emperor Capital Group Limited**

*(Incorporated in Bermuda with limited liability)*

*(Stock Code : 717)*

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

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The Directors announce that Emperor Securities, a wholly-owned subsidiary of the Company entered into the Underwriting Agreement on 28 January 2008 with, inter alia, New Media in relation to the underwriting of the Offer Shares of New Media.

Emperor Securities is one of the Underwriters in the Share Offer with an underwriting commitment of not more than 28,000,000 New Media Shares. The 28,000,000 New Media Shares underwritten by Emperor Securities represent approximately 4.7% of the total issued shares of New Media upon Listing. Based on the preliminary indicative price range per New Media Share under the Share Offer of between HK\$0.60 and HK\$0.75 and subject to the terms and conditions of the Underwriting Agreement, the maximum underwriting commitment of Emperor Securities is HK\$21million and it is expected to receive up to a maximum of HK\$630,000 as commission.

Emperor Securities is a wholly-owned subsidiary of the Company which is in turn owned as to approximately 45.09% indirectly by the AY Discretionary Trust, while AY Discretionary Trust is a deemed controlling shareholder (of which has the meaning ascribed to under the Listing Rules) holding approximately 75% interests in New Media upon completion of the Share Offer. Therefore, New Media is a connected person of the Company within the meaning of the Listing Rules. The Underwriting Agreement in so far as Emperor Securities' commitments are concerned, will constitute connected transaction of the Company under Chapter 14A of the Listing Rules. As the relevant percentage ratios (as defined in the Listing Rules) under the size tests in relation to the commitment of Emperor Securities under the Underwriting Agreement is less than 2.5%, the Underwriting Agreement is subject to reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and is exempted from the independent shareholders' approval.

## **THE UNDERWRITING AGREEMENT**

The Directors announce that Emperor Securities, a wholly-owned subsidiary of the Company entered into the Underwriting Agreement dated 28 January 2008 with, inter alia, New Media in relation to the underwriting of the Offer Shares of New Media.

### **Date**

28 January 2008

### **Major terms of the Underwriting Agreement**

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

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

Emperor Securities is one of the Underwriters in the Share Offer with an underwriting commitment of not more than 28,000,000 New Media Shares. Based on the preliminary indicative price range per New Media Share under the Share Offer of between HK\$0.60 and HK\$0.75 and subject to the terms and conditions of the Underwriting Agreement, the maximum underwriting commitment of Emperor Securities is HK\$21million. The 28,000,000 New Media Shares underwritten by Emperor Securities represents approximately 4.7% of the total issued shares of New Media upon Listing.

### **Termination**

The obligations of the Underwriters to subscribe for or procure subscribers to subscribe for the Offer Shares not taken up under the Share Offer, are subject to termination by notice in writing from Emperor Securities (for itself and on behalf of the Underwriters) if the events as set out in the Prospectus under the section of "UNDERWRITING-Ground for termination" shall occur prior to 8:00 a.m. on the 12 February 2008.

### **Commission**

The Underwriters will receive a commission of 3% on the aggregate Offer Price for the issue of all the Offer Shares. Based on the preliminary indicative price range per New Media Share under the Share Offer of between HK\$0.60 and HK\$0.75 and subject to the terms and conditions of the Underwriting Agreement, Emperor Securities is expected to receive up to a maximum of HK\$630,000 of commission.

## **INFORMATION RELATING TO NEW MEDIA**

New Media is an investment company and its subsidiaries are principally engaging in the publication and marketing of Chinese-language weekly magazines and the sale of advertising space in those magazines primarily in Hong Kong.

The net profits attributable to New Media for the two years ended 31 March 2007 and 31 March 2006 are as follow as disclosed in the Prospectus:

	<b>For the year ended</b>	
	<b>31 March 2006</b>	<b>31 March 2007</b>
	<i>HK\$'000</i>	
Profit before taxation	24,723	24,947
Profit for the year	23,325	31,168

## **REASONS AND BENEFITS OF THE UNDERWRITING AGREEMENT**

The Company is an investment company and its subsidiaries are principally engaging in the provision of financial services in Hong Kong, including brokerage services for securities, futures and options, providing margin and initial public offer financings and placing and underwriting services. The Directors including the independent non-executive Directors consider that the entering into the Underwriting Agreement falls within the business scopes of Emperor Securities and it is in the best interests of the Group and its shareholders to enter into the Underwriting Agreement as it is on normal commercial terms and the terms are fair and reasonable. The underwriting commission to be received under the Underwriting Agreement are expected to contribute positively to the Group's income.

## **CONNECTED TRANSACTION**

Emperor Securities is a wholly-owned subsidiary of the Company which is in turn owned as to approximately 45.09% indirectly by the AY Discretionary Trust, while AY Discretionary Trust is a deemed controlling shareholder (of which has the meaning ascribed to under the Listing Rules) holding approximately 75% interests in New Media upon completion of the Share Offer. Therefore, New Media is a connected person of the Company within the meaning of the Listing Rules. The Underwriting Agreement in so far as Emperor Securities' commitments are concerned, will constitute connected transaction of the Company under Chapter 14A of the Listing Rules. As all the relevant percentage ratios (as defined in the Listing Rules) under the size tests in relation to the commitment of Emperor Securities under the Underwriting Agreement is less than 2.5%, the Underwriting Agreement is subject to reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and is exempted from the independent shareholders' approval.

## TERMS USED IN THIS ANNOUNCEMENT

“AY Discretionary Trust”	The Albert Yeung Discretionary Trust (of which Dr. Yeung Sau Shing, Albert is the founder), a deemed controlling shareholder (of which has the meaning ascribed to it under the Listing Rules) of both the Company and New Media
“Company”	Emperor Capital Group Limited, a company incorporated in Bermuda with limited liability, the securities of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“Emperor Securities”	Emperor Securities Limited, a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to carry on type 1 (dealing in securities) and type 4 (advising on securities) regulated activities, being one of the Underwriters and the lead manager to the Share Offer
“Listing”	the proposed listing of New Media Shares on the main board of Stock Exchange
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“New Media”	New Media Group Holdings Limited, a company incorporated in Hong Kong with limited liability
“New Media Share(s)”	the ordinary share(s) with a par value of HK\$0.01 each in the share capital of New Media
“Offer Price”	the final offer price of each New Media Share (exclusive of brokerage of 1%, Stock Exchange trading fee of 0.005% and SFC transaction levy of 0.004%) in the Share Offer
“Offer Shares”	the Public Offer Shares and the Placing Shares
“Placing”	the placing of the Placing Shares to certain professional, institutional and other investors at the Offer Price subject to the terms and conditions stated in the Prospectus

“Placing Shares”	the 135,000,000 New Media Shares being initially offered by New Media at the Offer Price pursuant to the Placing as set out in the Prospectus
“Placing Underwriters”	the underwriters of the Placing as set out in the Prospectus, including Emperor Securities Limited
“Prospectus”	the prospectus dated 28 January 2008 issued by New Media in connection with the Public Offering
“Public Offer”	the offering for subscription of the Public Offer Shares for cash at the Offer Price by way of a public offer in Hong Kong on and subject to the terms and conditions stated in the Prospectus and in the application forms relating thereto
“Public Offer Shares”	the 15,000,000 New Media Shares being offered by New Media for subscription at the Offer Price pursuant to the Public Offer as set out in the Prospectus
“Public Offer Underwriter”	the underwriter of the Public Offer, being Emperor Securities Limited
“SFC”	The Securities and Futures Commission of Hong Kong
“Share Offer”	the Public Offer and the Placing
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Underwriters”	the Public Offer Underwriter and the Placing Underwriters

“Underwriting Agreement” the conditional underwriting agreement and the placing agreement dated 28 January 2008 that entered into between, inter alia, New Media and respective Underwriters in relation to underwriting of the Offer Shares

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

Hong Kong, 29 January 2008

*As at the date of this announcement, the Board comprises Ms. Daisy Yeung as Managing Director; Mr. Chan Pak Lam, Tom and Mr. Yeung Kun Lee, Sunny as executive Directors; and Mr. Fung Chi Kin, Mr. Kwok Chi Sun, Vincent and Mr. Cheng Wing Keung, Raymond as independent non-executive Directors*

*\* for identification purposes only*