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

DISCLOSEABLE TRANSACTION

PROVISION OF LOAN FACILITY

On 16 June 2020, the Lender entered into the Loan Agreement with the Borrowers in relation to the provision of the Loan Facility of up to HK\$25,000,000 which is available for drawdown subject to terms of Loan Agreement and shall be repaid within 12 months from the date of the drawdown.

Within 12 months immediately preceding and up to the date of the Loan Agreement, the Lender had entered into another loan agreement with Borrower A in relation to the provision of the loan facility of up to HK\$47,000,000 with details set out in the announcement dated 10 June 2020 as supplemented by the announcement of the Company dated 12 June 2020.

The Borrowers are connected or associated with each other and the above transactions should be aggregated for classification of transaction in compliance with Rule 14.22 of the Listing Rules.

This series of transactions with the Borrowers after aggregation constitutes a discloseable transaction of the Company and is therefore subject to the announcement requirement but exempt from Shareholders' approval requirement under the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 10 June 2020 (as supplemented in the Company's announcement dated 12 June 2020) in relation to the loan facility of up to HK\$47,000,000 granted by the Lender, an indirect wholly-owned subsidiary of the Company, under a loan agreement to Borrower A.

The Board announces that on 16 June 2020, the Lender entered into the Loan Agreement with the Borrowers (including Borrower A).

** for identification purpose only*

The Loan Agreement

Date	:	16 June 2020
Lender	:	Emperor Finance Limited
Borrower	:	the Borrowers under the Loan Agreement
Amount of Loan Facility	:	up to HK\$25,000,000
Repayment	:	within 12 months from the date of drawdown
Interest	:	(i) 19.8% per annum for the 1st month upon the date of drawdown (ii) 18.0% per annum for the 2nd month to 12th month upon the date of drawdown
Security for the Loan Facility	:	the Loan Facility is secured by a second mortgage over: (i) one residential unit with one parking lot located in Yau Tsim Mong District in Kowloon, Hong Kong. Valuation has been conducted by independent valuers on 8 June 2020 and the average aggregate amount of these properties was approximately HK\$48.2 million; and (ii) two commercial units located in Central District in Hong Kong. Valuation has been conducted by independent valuers on 15 June 2020 and the average aggregate amount of these properties was approximately HK\$165 million.

The drawdown of the Loan Facility is subject to, inter alia, the satisfaction of credit assessment of the Borrowers by the Lender. The Borrowers are required to provide the Lender with other securities as requested by the Lender as from time to time.

INFORMATION AND RELATIONSHIP OF THE BORROWERS

Borrower A is a merchant who is a director and the sole ultimate beneficial owner of Borrower B. Borrower C is a family member (as defined under the Listing Rules) of Borrower A.

The Borrowers are connected or associated with each other under the Listing Rules. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Borrowers and/or the ultimate beneficial owner(s) of Borrower B are independent third parties not connected with the Company or connected persons of the Company.

REASONS FOR ENTERING INTO THE LOAN AGREEMENT

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of financial services, including (i) commercial and personal lending as well as margin and initial public offering financing; (ii) brokerage, wealth management and asset management; (iii) placing and underwriting services for listed issuers; and (iv) corporate finance advisory services.

The Lender is a registered money lender holding a valid money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and is principally engaged in the business of money lending services. The provision of the Loan Facility is a transaction carried out as part of the ordinary and usual course of business activities of the Group. The Loan Facility is funded by internal resources of the Group.

The terms of the Loan Agreement were negotiated on arm's length basis between the Lender and the Borrowers and were on normal commercial terms based on the Group's credit policy. Taking into account the results of the due diligence on the financial background and repayment ability of the Borrowers, the stable interest income expected to be generated from the Loan Facility and the satisfactory payment records of the Borrowers in the past, the Directors consider that the terms of the Loan Agreement are fair and reasonable and the entering into of the same is in the interests of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the relevant percentage ratios (as defined under the Listing Rules) in respect of the aggregate amount of financial assistance granted to the Borrowers within the period of 12 months immediately preceding and up to the date of the Loan Agreement exceed 5% but are under 25%, this series of transactions with the Borrowers after aggregation constitutes a discloseable transaction of the Company and is therefore subject to the announcement requirement but exempt from Shareholders' approval requirement under the Listing Rules.

DEFINITIONS

“Board”	board of Directors of the Company
“Borrower A”	Zhao Fuying, a borrower under the Loan Agreement, being an independent third party to the Company and a director and the sole ultimate beneficial owner of Borrower B
“Borrower B”	Admiral HK Limited, a borrower under the Loan Agreement, being an independent third party to the Company and an investment holding company incorporated in Hong Kong with limited liability
“Borrower C”	Zhao Hanyu, a borrower under the Loan Agreement, being an independent third party to the Company and a family member of Borrower A
“Borrowers”	Borrower A, Borrower B and Borrower C
“Company”	Emperor Capital Group Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of The People’s Republic of China
“Lender”	Emperor Finance Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the loan agreement dated 16 June 2020 entered into between the Lender and the Borrowers relating to the granting of the Loan Facility
“Loan Facility”	the loan facility in the amount of up to HK\$25,000,000 granted by the Lender to the Borrowers pursuant to the terms of the Loan Agreement
“percentage ratio(s)”	percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction
“Shareholders”	holders of the ordinary shares of HK\$0.01 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 17 June 2020

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

<i>Executive Directors:</i>	Ms. Daisy Yeung Ms. Choi Suk Hing, Louisa Ms. Pearl Chan
<i>Independent Non-Executive Directors:</i>	Mr. Chu Kar Wing Mr. Poon Yan Wai Ms. Wan Choi Ha