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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

The Board announces that on 31 March 2014,

- (i) Emperor Agency as principal tenant entered into the Subletting Agreement with Profit Broad as sub-tenant in relation to the sub-tenancy of the Portion of the First Property; and
- (ii) Very Sound as landlord entered into the Tenancy Agreement with Profit Broad as tenant in relation to the tenancy of the Second Property.

Emperor Agency is indirectly wholly-owned by the AY Trust. Very Sound is an indirect wholly-owned subsidiary of Emperor International. Profit Broad is an indirect wholly-owned subsidiary of the Company. Both of Emperor International and the Company are indirectly owned as to 74.83% and 67.44% respectively by the AY Trust. As such, Emperor Agency and Very Sound are connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the Subletting Agreement and the Tenancy Agreement constitute continuing connected transactions for the Company.

As the applicable percentage ratios (as defined under the Listing Rules) on an annual basis calculated with reference to the First Annual Cap and the Second Aggregate Annual Cap of the Company are more than 0.1% but less than 5%, the Subletting Agreement and the Tenancy Agreement are subject to the announcement, reporting and annual review requirements but are exempt from the approval of the independent shareholders of the Company under Chapter 14A of the Listing Rules.

The Board announces that on 31 March 2014,

- (i) Emperor Agency as principal tenant entered into the Subletting Agreement with Profit Broad as sub-tenant in relation to the sub-tenancy of the Portion of the First Property; and

** for identification purposes only*

- (ii) Very Sound as landlord entered into the Tenancy Agreement with Profit Broad as tenant in relation to the tenancy of the Second Property.

SUBLETTING AGREEMENT DATED 31 MARCH 2014

Principal Tenant:	Emperor Agency (as tenant to the First Property)
Sub-Tenant:	Profit Broad
Portion of First Property:	Portion of Shop 6 on G/F, 1/F and canopy adjacent thereto, 2/F, East Ocean Court, 525 Shanghai Street, Mongkok, Kowloon with gross floor area of 4,269 sq. ft.
Usage:	for commercial purpose
Term:	three years commencing from 1 April 2014 to 31 March 2017 (both days inclusive)
Rent:	HK\$210,000.00 per month, exclusive of rates, management fees and all other outgoings, payable monthly in advance
Rent free period:	two months: 1st year – 1 April 2014 to 30 April 2014 3rd year – 1 April 2016 to 30 April 2016
Effective Rental:	HK\$198,333.33 per month
Deposit:	HK\$683,123.58 which is equivalent to three months' rent, management fee and rates
Special condition:	The Sub-Tenant has to observe certain terms and conditions as provided in the head tenancy agreement in respect of the First Property insofar as not to affect the First Property and not to adversely affect and prejudice the rights and interest of the Principal Tenant.

FIRST ANNUAL CAP OF THE SUBLETTING AGREEMENT

The First Annual Cap of the Company for the Subletting Agreement is based on the total annual effective rental payable under the Subletting Agreement for each of the years ending 30 September 2014, 2015, 2016 and 2017 will be as follows:

	2014 <i>HK\$</i>	2015 <i>HK\$</i>	2016 <i>HK\$</i>	2017 <i>HK\$</i>
Subletting Agreement	1,190,000	2,380,000	2,380,000	1,190,000

TENANCY AGREEMENT DATED 31 MARCH 2014

Landlord:	Very Sound
Tenant:	Profit Broad
Second Property:	24/F, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 9,323 sq. ft.
Usage:	for office use
Term:	three years commencing from 1 April 2014 to 31 March 2017 (both days inclusive)
Rent:	HK\$308,000.00 per month, exclusive of rates, management fees and all other outgoings, payable monthly in advance
Rent free:	1 month – 1 April 2014 to 30 April 2014
Effective Rent:	HK\$299,444.44 per month
Deposit:	HK\$1,127,645.32 which is equivalent to three months' rent, rates and management fee

THE SECOND AGGREGATE ANNUAL CAP OF THE TENANCY AGREEMENT AND THE PREVIOUS TENANCY AGREEMENTS

The Second Aggregate Annual Cap of the Company for the Tenancy Agreement and the Previous Tenancy Agreements (which are aggregated under Rule 14A.25 of the Listing Rules) based on the total annual effective rental paid/payable thereunder for each of the years ending 30 September 2014, 2015, 2016 and 2017 will be as follows:

	2014 HK\$	2015 HK\$	2016 HK\$	2017 HK\$
Tenancy Agreement	1,797,000	3,696,000	3,696,000	1,797,000
First Previous Tenancy Agreement	285,000	285,000	143,000	-
Second Previous Tenancy Agreement	525,000	525,000	263,000	-
Third Previous Tenancy Agreement	505,000	505,000	253,000	-
Fourth Previous Tenancy Agreement	647,000	162,000	-	-
Fifth Previous Tenancy Agreement ^(Note)	1,540,000	-	-	-
Total	<u>5,299,000</u>	<u>5,173,000</u>	<u>4,355,000</u>	<u>1,797,000</u>

Note : This agreement expires on 31 March 2014 and the tenancy is renewed by the Tenancy Agreement.

REASONS AND BENEFITS FOR THE SUBLETTING AGREEMENT AND THE TENANCY AGREEMENT

The Company is an investment company and its subsidiaries are principally engaged in the provision of financial services in Hong Kong, including (i) brokerage services for securities, futures and options traded on the exchanges in Hong Kong, the United States, Japan and the United Kingdom, as well as wealth management and asset management services; (ii) providing margin and initial public offer financings as well as loans and advances such as personal money lending and second mortgage loan; (iii)

placing and underwriting services; and (iv) corporate finance advisory. Profit Broad is principally engaged in the provision of group tenancy agent services for the Group.

Emperor Agency is indirectly wholly-owned by the AY Trust and belongs to a group of companies whose principal business is the provision of forex and bullion trading services.

Emperor International is an investment holding company and its subsidiaries are principally engaged in property investments, property development and hospitality in Hong Kong, Macau and the PRC. The First Property is held by Very Sound as investment property for rental income.

The terms of the Subletting Agreement and Tenancy Agreement were arrived at after arm's length negotiation and are on normal commercial terms. The rental of the Subletting Agreement and Tenancy Agreement were determined with reference to the prevailing market rent of similar properties in the nearby locations. The Directors (including the independent non-executive directors) considered that the Subletting Agreement and Tenancy Agreement are on normal commercial terms, in the ordinary and usual course of business, fair and reasonable and in the interests of the Company and its shareholders as a whole. Ms. Daisy Yeung, the Managing Director of the Company, did abstain from voting at the board meeting of the Company in view of her deemed interests in the transaction by virtue of being one of the eligible beneficiaries of the AY Trust.

GENERAL

Emperor Agency is directly wholly-owned by the AY Trust. Very Sound is an indirect wholly-owned subsidiary of Emperor International. Profit Broad is an indirect wholly-owned subsidiary of the Company. Both of Emperor International and the Company are indirectly owned as to 74.83% and 67.44% respectively by the AY Trust. As such, Emperor Agency and Very Sound are connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the Subletting Agreement and the Tenancy Agreement constitute continuing connected transactions for the Company.

As the applicable percentage ratios on an annual basis (as defined under the Listing Rules) calculated with reference to the First Annual Cap and the Second Annual Cap of the Company are more than 0.1% but less than 5%, the Subletting Agreement and Tenancy Agreement are subject to the announcement, reporting and annual review requirements but are exempt from the approval of independent shareholders of the Company under Chapter 14A of the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

“Active Pace”	Active Pace Investment Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Emperor International
“AY Trust”	The Albert Yeung Discretionary Trust, a discretionary trust set up by Dr. Albert Yeung, a deemed substantial shareholder of Emperor International and the Company

“Board” or “Directors”	the directors of the Company
“Company”	Emperor Capital Group Limited, an exempt company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Dr. Albert Yeung”	Dr. Yeung Sau Shing, Albert
“Emperor Agency”	Emperor Agency Limited, a company incorporated in Hong Kong with limited liability and indirectly wholly-owned by the AY Trust
“Emperor International”	Emperor International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“First Annual Cap”	the maximum amount of effective rental payable by Profit Broad under the Subletting Agreement based on the total annual effective rental payable under the Subletting Agreement for each of the years ending 30 September 2014, 2015, 2016 and 2017
“First Previous Property”	Unit 603, 6/F, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 851 sq. ft.
“First Previous Tenancy Agreement”	a tenancy agreement dated 13 September 2013 entered into between Headwise and Profit Broad in relation to the tenancy of the First Previous Property for the period from 15 September 2013 to 31 March 2016 (both days inclusive), details of which were set out in the Company’s announcement dated 13 September 2013
“First Property”	Shops 2-6 on G/F, 1/F and canopy adjacent thereto, 2/F, reserved flat roof portion, first and second advertising walls, together with the right to use the LED display on the external walls from 1/F – 3/F, East Ocean Court, 525 Shanghai Street, Mongkok, Kowloon with a gross floor area of 5,548 sq. ft.
“Fourth Previous Property”	Unit 604, 6/F, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 2,230 sq. ft.

“Fourth Previous Tenancy Agreement”	a tenancy agreement dated 20 December 2012 entered into between Headwise and Profit Broad in relation to the tenancy of the Fourth Previous Property for the period from 1 January 2013 to 31 December 2014 (both days inclusive), details of which were set out in the joint announcement of Emperor International and the Company dated 20 December 2012
“Fifth Previous Tenancy Agreement”	a tenancy agreement dated 28 February 2011 entered into between Very Sound and Profit Broad in relation to the tenancy of the Fifth Previous Property for the period from 1 April 2011 to 31 March 2014 (both days inclusive), details of which were set out in the joint announcement of Emperor International and the Company dated 28 February 2011
“Group”	the Company and its subsidiaries
“Headwise”	Headwise Investment Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Emperor International
“HK\$”	Hong Kong dollars
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Portion of First Property”	Portion of Shop 6 on G/F, 1/F and canopy adjacent thereto, 2/F, East Ocean Court, 525 Shanghai Street, Mongkok, Kowloon with a gross floor area of 4,269 sq. ft.
“PRC”	The People’s Republic of China
“Previous Tenancy Agreements”	the First Previous Tenancy Agreement, the Second Previous Tenancy Agreement, the Third Previous Tenancy Agreement, the Fourth Previous Tenancy Agreement and the Fifth Previous Tenancy Agreement
“Profit Broad”	Profit Broad Development Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Second Aggregate Annual Cap”	the maximum amount of effective rental paid/payable by the Group under the Tenancy Agreement and the Previous Tenancy Agreements based on the total

annual effective rental paid/payable for each of the years ending 30 September 2014, 2015, 2016 and 2017

“Second Previous Property”	Unit 2006, 20/F, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 1,431 sq. ft.
“Second Previous Tenancy Agreement”	a tenancy agreement dated 13 September 2013 entered into between Headwise and Profit Broad in relation to the tenancy of the Second Previous Property for the period from 15 September 2013 to 31 March 2016 (both days inclusive), details of which were set out in the Company’s announcement dated 13 September 2013
“Second Property” or “Fifth Previous Property”	24/F, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 9,323 sq. ft.
“Subletting Agreement”	a tenancy agreement dated 31 March 2014 entered into between Emperor Agency and Profit Broad in relation to the renewal of sub-tenancy of the Portion of the First Property
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“sq. ft.”	square feet
“Tenancy Agreement”	a tenancy agreement dated 31 March 2014 entered into between Very Sound and Profit Broad in relation to the renewal of tenancy of the Second Property
“Third Previous Property”	Unit 606, 6/F, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 1,510 sq. ft.
“Third Previous Tenancy Agreement”	a tenancy agreement dated 13 September 2013 entered into between Active Pace and Profit Broad in relation to the tenancy of the Third Previous Property for the period from 15 September 2013 to 31 March 2016 (both days inclusive), details of which were set out in the Company’s announcement dated 13 September 2013
“Very Sound”	Very Sound Investments Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Emperor International

“0%”

per cent

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

Hong Kong, 31 March 2014

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

Executive Directors:

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

Independent Non-Executive Directors:

Mr. Chu Kar Wing
Mr. Poon Yan Wai
Mr. Tse Hin Lin, Arnold