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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)**

**CONNECTED TRANSACTION**

The Board announces that Profit Ascent, a wholly-owned subsidiary of the Company, entered into the Agreement on 23 September 2011 with the Purchaser, pursuant to which Profit Ascent has agreed to sell, and the Purchaser has agreed to purchase the Sale Shares which represent the entire issued share capital of Emperor Gold & Silver.

Profit Ascent is a wholly-owned subsidiary of the Company which is indirectly owned as to 60.13% by the AY Trust, the trustee of which is STC International Limited. Emperor Service is indirectly wholly-owned by the YF Trust, of which STC International Limited is also the trustee. Ms. Daisy Yeung, the Managing Director of the Company, is one of the eligible beneficiaries of both trusts. Accordingly, the Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios of the Transaction exceed 0.1% but are less than 5%, the Transaction is subject to the reporting and announcement requirement but is exempted from the independent Shareholders' approval requirement pursuant to Rule 14A.32(1) of the Listing Rules.

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## **THE AGREEMENT DATED 23 SEPTEMBER 2011**

### **Parties**

Vendor: Profit Ascent, an investment company wholly-owned by the Company

Purchaser: Emperor Service, a company indirectly wholly-owned by the YF Trust

### **Assets to be disposed of**

The Sale Shares, representing the entire issued share capital in Emperor Gold & Silver.

### **Consideration**

The consideration for the sale and purchase of the Sale Shares shall be equal to the net asset value of Emperor Gold & Silver as at the Completion Date with the value of the Membership taken to be HK\$7,900,000. The Consideration shall be paid by the Purchaser to Profit Ascent on Completion.

The Consideration was determined after arm's length negotiations between Profit Ascent and the Purchaser with reference to, among others, the unaudited pro forma balance sheet and income statement of Emperor Gold & Silver as at the Completion Date, with the value of the Membership of HK\$7,900,000 determined by reference to the recent transactions of similar memberships.

If based on the unaudited balance sheet of Emperor Gold & Silver as at 31 August 2011, the Consideration shall be approximately HK\$14.4 million.

### **Completion**

Completion shall take place within 7 days upon satisfaction of the conditions set out in the section headed "Conditions Precedent" below.

### **Conditions Precedent**

Completion shall be conditional upon the fulfillment or waiver (as the case may be) by the Purchaser of the following conditions:

- (1) the approval for the transfer of the Sale Shares from the Profit Ascent to the Purchaser by The Chinese Gold & Silver Exchange Society; and
- (2) all necessary consents being granted by third parties (including banks, financial institutions, governmental or official authorities) and no statute, regulation or decision which would prohibit, restrict or materially delay the transactions contemplated under the Agreement.

## INFORMATION OF EMPEROR GOLD & SILVER AND THE MEMBERSHIP

Emperor Gold & Silver is a company incorporated in Hong Kong with limited liability and has an authorised share capital of HK\$7,000,000 divided into 7,000,000 shares of HK\$1.00 each, all of which being issued and owned by Profit Ascent since April 2007. As at the date of this announcement, other than being the holder of the Membership and 136,000 shares in Hong Kong Precious Metals Exchange Limited, Emperor Gold & Silver has no other business operations.

Based on the unaudited accounts of Emperor Gold & Silver for the 11 months ended 31 August 2011, the net assets value of Emperor Gold & Silver as at 31 August 2011 was approximately HK\$6,500,000. The audited financial information of Emperor Gold & Silver for the 18 months ended 30 September 2009 and for the year ended 30 September 2010 and the unaudited financial information for the 11 months ended 31 August 2011 are as follows:

	For the 18 months ended 30 September 2009 <i>HK\$</i> (audited)	For the year ended 30 September 2010 <i>HK\$</i> (audited)	For the 11 months ended 31 August 2011 <i>HK\$</i> (unaudited)
Net loss before tax and extraordinary items	46,639	61,917	87,617
Net loss after tax and extraordinary items	46,639	61,917	87,617

No revenue were generated from the above-mentioned periods.

The Membership represents the membership in The Chinese Gold & Silver Exchange Society (金銀業貿易場行員).

## REASONS AND BENEFITS FOR THE TRANSACTION

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) brokerage services for securities, futures and options, (ii) provision of margin and IPO financings as well as loans and advances to its clients, and (iii) corporate finance advisory and wealth management services.

The Principal business activities of the Purchaser and its group companies include bullion trading. While the Group focuses on securities trading, the Directors consider that the Transaction represents a good opportunity for the Group to realize its investment in the Membership so as to fully utilise its resources on its existing businesses. The proceeds from the Transaction will enable the Group to improve its working capital condition for future opportunities that may arise.

The Directors (including the independent non-executive Directors but excluding Ms. Daisy Yeung), consider that the terms and conditions of the Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Ms. Daisy Yeung, the Managing Director of the Company, had to and did abstain from voting at the board meeting of the Company in view of her relationship with the Purchaser set out in the paragraph below headed “Listing Rules Implications”.

## **FINANCIAL EFFECT OF THE TRANSACTION**

Upon completion of the Transaction, Emperor Gold & Silver will cease to be a subsidiary of the Company.

The Company will record a book gain of approximately HK\$7,900,000 as a result of the Transaction, being the difference between the Consideration and the net assets value of Emperor Gold & Silver as at Completion.

## **LISTING RULES IMPLICATIONS**

Profit Ascent is a wholly-owned subsidiary of the Company which is indirectly owned as to 60.13% by the AY Trust, the trustee of which is STC International Limited. Emperor Service is indirectly wholly-owned by the YF Trust, of which STC International Limited is also the trustee. Ms. Daisy Yeung, the Managing Director of the Company, is one of the eligible beneficiaries of both trusts. Accordingly, the Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios of the Transaction exceed 0.1% but are less than 5%, the Transaction is subject to the reporting and announcement requirement but is exempt from the independent Shareholders’ approval requirement pursuant to Rule 14A.32(1) of the Listing Rules.

## **TERMS USED IN THIS ANNOUNCEMENT**

In this announcement, the following expressions have the following meanings unless the context requires otherwise:

“Agreement”	the sale and purchase agreement in relation to the Sale Shares entered into between Profit Ascent as vendor and Emperor Service as purchaser on 23 September 2011
“AY Trust”	The Albert Yeung Discretionary Trust, a discretionary trust set up by Dr. Yeung Sau Shing, Albert, a deemed substantial shareholder of the Company, of which Ms. Daisy Yeung 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 shares of which are listed on the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms of the Agreement
“Completion Date”	within 7 days upon satisfaction of the conditions precedent under the Agreement
“Consideration”	the consideration for the Sale Shares
“Director(s)”	director(s) of the Company
“Emperor Gold & Silver”	Emperor Gold & Silver Company Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“Emperor Service” or “Purchaser”	Emperor Service Group Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of YF Trust, being the purchaser under the Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Membership”	the membership in The Chinese Gold & Silver Exchange Society (金銀業貿易場行員)
“Profit Ascent”	Profit Ascent Group Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company, being the vendor under the Agreement

“Sale Shares”	7,000,000 ordinary shares of HK\$1.00 each, issued and fully paid up, being the entire issued share capital of Emperor Gold & Silver
“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
“Transaction”	the transaction contemplated under the Agreement
“YF Trust”	The Yeung Family Discretionary Trust, a discretionary trust of which Ms. Daisy Yeung is one of the eligible beneficiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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

Hong Kong, 23 September 2011

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

*Executive Directors:* Ms. Daisy Yeung (*Managing Director*)  
Ms. Choi Suk Hing, Louisa  
Ms. Pearl Chan

*Independent Non-Executive Directors:* Mr. Kwok Chi Sun, Vincent  
Mr. Cheng Wing Keung, Raymond  
Mr. Chu Kar Wing

\* *for identification purposes only*