

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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
RELATING TO THE PROVISION OF LOAN FACILITY**

The Board announces that on 11th August, 2011, the Lender, an indirect wholly-owned subsidiary of the Company, provided a loan facility of HK\$65,000,000 to its client for a term of one year. The Loan Facility is secured by the Mortgage.

The Company completed a rights issue for a total gross proceeds of approximately HK\$585 million on 4 August 2011. With the additional funding, the Group is actively expanding its operations by exploring and diversifying into new business opportunities. The Directors considered that the granting of Loan Facility provides a valuable opportunity for the Group to diversify its financing business to include mortgage financing which can generate stable income to the Group.

Pursuant to Rule 14.06(2) of the Listing Rules, the granting of the Loan Facility constitutes a discloseable transaction of the Company as the relevant percentage ratio(s) exceed 5% but are under 25% and it is subject to the reporting and announcement requirements as set out in the Listing Rules but is exempted from shareholders' approval requirement under the Listing Rules.

THE LOAN AGREEMENT

Date: 11 August 2011

Lender: Emperor Credit Limited, an indirect wholly-owned subsidiary of the Company

Borrower: the Borrower

* for identification purposes only

The Borrower is a client of the Group and it is a company incorporated in the British Virgin Islands with its principal business as investment. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Borrower and its ultimate beneficial owner are independent third parties not connected with the Company or connected persons of the Company.

Principal terms of the Loan Agreement

Amount of the Loan Facility: HK\$65,000,000

Repayment: 1 year from the date of drawdown

Interest: 1.5% per month

Securities for the Loan Facility: the Loan Facility is secured by:

- (a) the Mortgage;
- (b) charges over the issued share capital of the Borrower and the security assets of the Borrower (if any); and
- (c) personal guarantees to be executed by the ultimate beneficial owner of the Borrower and the spouse of the beneficial owner in favour of the Lender as a continuing security

The terms of the Loan Agreement were arrived at after arm’s length negotiations between the Lender and the Borrower. 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 will be funded by internal resources of the Group.

REASONS FOR THE LOAN FACILITY

The principal business activity of the Company is investment holding and its subsidiaries are principally engaging 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 Company completed a rights issue for a total gross proceeds of approximately HK\$585 million on 4 August 2011. With the additional funding, the Group is actively expanding its operations by exploring and diversifying into new business opportunities. The Directors considered that the granting of Loan Facility provides a valuable opportunity for the Group to diversify its financing business to include mortgage

financing which can generate stable income to the Group. The interest rate of the Loan Facility will provide an attractive return for the Group. The Directors also considered that the provision of the Loan Facility under the Loan Agreement is on normal commercial terms and the terms of the Loan Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rule 14.06(2) of the Listing Rules, the granting of the Loan Facility constitutes a discloseable transaction of the Company as the relevant percentage ratio(s) exceed 5% but are under 25% and it is subject to the reporting and announcement requirements as set out in the Listing Rules but is exempted from shareholders' approval requirement under the Listing Rules.

DEFINITIONS

“Board”	the board of Directors
“Borrower”	the borrower under the Loan Agreement
“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 Credit Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange
“Loan Facility”	the revolving secured loan facility in the amount of HK\$65,000,000 granted by the Lender to the Borrower pursuant to the terms of the Loan Agreement

“Loan Agreement”	the loan agreement dated 11th August, 2011 entered into between the Lender and the Borrower relating to the granting of the Loan Facility
“Mortgage”	the mortgage to be provided by the Borrower in favour of the Lender over a property owned by the Borrower to secure the Borrower’s liability and obligations under 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
“Share(s)”	ordinary shares of HK\$0.01 each in the issued share capital of the Company
“Shareholders”	holders of Shares
“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, 11 August 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