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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)

**(I) PROPOSED OPEN OFFER OF BONDS ON THE BASIS OF
ONE UNIT OF BOND HAVING A FACE VALUE OF HK\$700 EACH
FOR EVERY 6,000 EXISTING SHARES HELD ON THE RECORD DATE;**

AND

(II) PLACING OF BONDS

Underwriter to the Open Offer

Emperor Capital Group Holdings Limited

Placing Agent



英皇證券(香港)有限公司
Emperor Securities Limited

* *For identification purposes only*

(I) PROPOSED OPEN OFFER

The Board announces to make the Open Offer on the basis of one unit of Bond having a face value of HK\$700 each for every 6,000 existing Shares held on the Record Date. The Open Offer involves issue of HK\$303,033,500 in aggregate value of Bonds. The net cash proceeds of the Open Offer raised, net of expenses, is expected to be approximately HK\$301,700,000, which will be used as working capital for the expansion of existing businesses of Company, especially for the money lending business and asset management business and to finance any future opportunities to be identified by the Company.

The Open Offer is fully underwritten by Emperor Capital Holdings, the Controlling Shareholder of the Company. The terms of the Open Offer are determined after arm's length negotiations between the Company and Emperor Capital Holdings. Pursuant to the Underwriting Agreement, Emperor Capital Holdings has conditionally agreed to subscribe or procure subscribers to subscribe for all of the Bonds not taken up by the Qualifying Shareholders and shall pay or procure to pay to the Company the amount due in respect thereof. Details of the major terms and conditions of the Underwriting Agreement are set out in the section headed "Underwriting arrangement" in this announcement.

The Open Offer is conditional, inter alia, upon fulfillment of the conditions set out under the section headed "Conditions of the Open Offer". In particular, the Open Offer is subject to the Underwriter not terminating the Underwriting Agreement in accordance with the terms set out under the section headed "Termination of the Underwriting Agreement". Accordingly the Open Offer may or may not proceed. Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Open Offer are fulfilled will accordingly bear the risk that the Open Offer could not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares are advised to consult their own professional advisers.

Emperor Capital Holdings is the Controlling Shareholder of the Company and is therefore a connected person of the Company. Accordingly, the transaction contemplated under the Underwriting Agreement (including the payment of the underwriting commission) constitutes a connected transaction under Chapter 14A of the Listing Rules but are exempted from the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Prospectus containing further information regarding, among other things, the Open Offer, including information on application and acceptances of the Bonds and application for excess Bonds, and other information in respect of the Group, the Application Forms and the Excess Application Forms are expected to be despatched to the Shareholders on 5 November 2013.

(II) PLACING OF BONDS

On 11 October 2013 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent agreed to act as placing agent, on a best effort basis, for the purposes of procuring not less than 6 Placees who and whose ultimate beneficial owners are Independent Third Parties to subscribe in cash for the Placing Bonds with an aggregate principal amount of up to HK\$303,033,500 at the issue price of 100% of the principal amount of the Placing Bonds. The net proceeds from the issuance of the Placing Bonds at approximately HK\$293,900,000 in maximum will be used as working capital for expansion of the existing businesses of Company, especially for the money lending business and asset management business and to finance any future opportunities to be identified by the Company.

Completion of the Bond Placing is subject to the Placing Agent not terminating the Placing Agreement in accordance with the terms set out therein. As the Bond Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

PROPOSED OPEN OFFER

The Board announces that the Company shall carry out the Open Offer on the basis of one unit of Bond having a face value of HK\$700 each for every 6,000 existing Shares held on the Record Date. The Open Offer involves issue of HK\$303,033,500 in aggregate value of Bonds. The net cash proceeds of the Open Offer raised, net of expenses, is expected to be approximately HK\$301,700,000, which will be used as working capital for the expansion of the existing businesses of Company, especially for the money lending business and asset management business and to finance any future opportunities to be identified by the Company.

The Open Offer is fully underwritten by Emperor Capital Holdings, the Controlling Shareholder of the Company. The terms of the Open Offer are determined after arm's length negotiations between the Company and Emperor Capital Holdings. Pursuant to the Underwriting Agreement, Emperor Capital Holdings has conditionally agreed to subscribe or procure subscribers to subscribe for all of the Bonds not taken up by the Qualifying Shareholders and shall procure to be paid to the Company the amount due in respect thereof.

As at the date of this announcement, the Board had not received any information from any other substantial Shareholders of their intention to take up the Bonds of the Company to be offered to them under the Open Offer.

Issue Statistics

| | | |
|-------------------------|---|---|
| Basis of the Open Offer | : | Offer of one unit of Bond having a face value of HK\$700 each for every 6,000 Shares held by the Qualifying Shareholders on the Record Date |
| Subscription Price | : | HK\$700 per unit of Bond |

| | | |
|---|---|--|
| Number of Shares in issue as at the date of this announcement | : | 2,597,433,816 Shares |
| Principal amount of Bonds to be issued | : | HK\$303,033,500 |
| Underwriting arrangement | : | Fully underwritten by Emperor Capital Holdings |

As at the date of this announcement, there are Outstanding Share Options entitling the holders thereof to subscribe for a total of 155,844,000 Shares at exercise price of HK\$0.334 per Share (subject to adjustments). Among the Outstanding Share Options, none of them are exercisable on or before the Record Date.

Save for the Outstanding Share Options, the Company has no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares as at the date of this announcement.

Assuming no Share Options will be granted and exercised, and no Shares are issued on or before the Record Date, 432,905 units of Bonds will be issued under the Open Offer, represents an aggregate principal value of approximately HK\$303,033,500.

Terms of the Bonds

| | | |
|------------------|---|--|
| Principal amount | : | HK\$303,033,500 |
| Interest | : | 5.5% per annum, payable annually in arrears |
| Maturity date | : | On the third anniversary of the issue of the Bonds |
| Status | : | The obligations of the Company arising under the Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank equally among themselves and <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of the Company except for obligations accorded preference by mandatory provisions of applicable law. |
| Transferability | : | The Bonds may be transferred or assigned to any person subject to the conditions, approvals, requirements and any other provisions of or under: <ul style="list-style-type: none"> (a) the Stock Exchange or their rules and regulations; and (b) all applicable rules and regulations, |

provided that the Bonds shall not be assigned or transferred to a connected person of the Company without prior written consent of the Company.

Redemption : The Company may at any time before the maturity date of the Bonds, redeem the Bonds by giving not less than ten (10) Business Days written notice at 100% of the principal amount of such Bonds together with payment of interests accrued thereon up to the date of redemption. Such notice once given shall be irrevocable and shall oblige the Company to make the redemption in such amount and on such date as stated in such notice.

Subject to the conditions of the instrument constituting the Bonds, the Bondholder(s) shall not have the right to request the Company to redeem the Bonds prior to the maturity date of the Bonds.

Application for listing : No application will be made for a listing of the Bonds on the Stock Exchange or any stock or securities exchange.

Qualifying Shareholders

To qualify for the Open Offer, a Shareholder must:

1. be registered as a member of the Company at the close of business on the Record Date; and
2. be a Qualifying Shareholder.

In order to be registered as members of the Company at the close of business on the Record Date, owners of Shares must lodge any transfers of Shares (together with the relevant share certificates) with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 29 October 2013.

The assured entitlements to the Bonds are not transferable or capable of renunciation and there will not be any trading in the assured entitlements of the Bonds on the Stock Exchange.

Closure of register of member

The register of members of the Company will be closed from 30 October 2013 to 4 November 2013, both dates inclusive. No transfer of Shares will be registered during this period.

Rights of overseas shareholders

As at the date of this announcement, the Company has certain Shareholders whose addresses as shown on the register of members are located outside Hong Kong. The Company will ascertain on the Record Date whether there is any Shareholder whose address as shown on the

register of members is outside Hong Kong. In determining who will be the Non-Qualifying Shareholders on the Record Date, the Company will make enquiry regarding the legal restrictions (if any) under the laws of the relevant places and the requirements of the relevant regulatory bodies or stock exchanges for the Company's offering the Bonds to the Non-Qualifying Shareholders in compliance with the Listing Rules. Further details regarding the Non-Qualifying Shareholders will be set out in the Prospectus.

For those Overseas Shareholders who are to be excluded from the Open Offer, the Company will, subject to compliance with the relevant local laws, regulations and requirements, send copies of the Prospectus for information only to these Non-Qualifying Shareholders, but the Company will not send the Application Form and Excess Application Form to such Non-Qualifying Shareholders.

Basis of assured entitlements

The basis of assured entitlements shall be one unit of Bond having face value of HK\$700 each for every 6,000 Shares in issue and held at the close of business on the Record Date, being HK\$303,033,500 in aggregate value of Bonds, to be issued at par payable in full on application and otherwise on the terms and subject to the conditions set out in the Underwriting Agreement and the Open Offer Documents.

Fractions of the Bonds

Entitlement to the Open Offer will be rounded down to the nearest whole unit of Bond. No fractional entitlements to the Bonds will be issued to the Qualifying Shareholders. Such fractional entitlements will be aggregated and shall be made available for excess applications by the Qualifying Shareholders who wish to apply for the Bonds in excess of their assured entitlements.

Application for excess Bonds

The Bonds to which the Non-Qualifying Shareholders would otherwise have been entitled to apply for, any assured entitlements of Bonds which have not been accepted and applied for by Qualifying Shareholders, and Bonds created by aggregation of fractional entitlements of Bonds, will be available for excess application by the Qualifying Shareholders. Qualifying Shareholders will have the right to apply for any Bonds in excess of their own assured entitlements under the Application Forms but are not assured of being issued any Bonds in excess of those in their assured entitlements.

The Directors will allocate the excess Bonds at their discretion, on a fair and equitable basis by reference to the number of unit of excess Bonds applied for by each Qualifying Shareholder.

Shareholders with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Bonds will not be extended to beneficial owners individually. Investors with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date. Shareholders and investors should consult their professional advisers if they are in any doubt as to their status.

Shareholders whose Shares are held by their nominee(s) and who would like to have their names registered on the register of members of the Company, must lodge all necessary documents with the Registrar for completion of the relevant registration by 4:30 p.m. on 29 October 2013.

Undertaking

Emperor Capital Holdings undertakes to the Company to subscribe for, by lodging Application Form(s) accompanied by appropriate remittances which shall be honoured on first presentation or otherwise comply with the procedures for such application as described in the Prospectus Documents prior to the Latest Time for Acceptance, Bonds in the aggregate principal amount of HK\$203,130,200, being its entitlement under the Open Offer.

Reallocation

Notwithstanding the undertaking by Emperor Capital Holdings, in the event that the Open Offer is over-subscribed, Emperor Capital Holdings agrees that the Company shall at its sole discretion, reallocate the Bonds initially applied for by Emperor Capital Holdings in an amount equivalent to the principal amount of the Bonds over-subscribed to be available for subscription by Shareholders other than Emperor Capital Holdings.

Certificate for Bonds and refund cheques for Open Offer

Subject to the fulfillment of the conditions of the Open Offer, certificates for all Bonds are expected to be posted to those entitled thereto by ordinary post at their own risk on or before 28 November 2013. Refund cheques in respect of wholly or partially unsuccessful applications for excess Bonds (if any) are expected to be posted on or before 28 November 2013 by ordinary post to the applicants at their own risk.

Conditions of the Open Offer

The Open Offer is conditional upon the following conditions being fulfilled or waived (as appropriate):

- (I) the delivery to relevant government authority and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Open Offer Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) not later than the Posting Date and otherwise in compliance with the Listing Rules and the Companies Ordinance;
- (II) the posting of the Open Offer Documents to the Qualifying Shareholders and the posting of the Prospectus if required by the Listing Rules, and a letter to the Non-Qualifying Shareholders, if any, for information purpose only, explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the Posting Date;
- (III) compliance with and performance of all the undertakings and obligations of the Company under the Underwriting Agreement;
- (IV) if necessary, the filing with the Registrar of Companies in Bermuda one copy of each of the Open Offer Documents duly signed by either all Directors or one of the Directors for and on behalf of all the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Companies Act on or before the Posting Date;

- (V) if necessary, the Bermuda Monetary Authority granting consent to the issue of the Bonds by the Latest Time for Termination or such other time as the Underwriter may agree with the Company in writing; and
- (VI) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof prior to the Latest Time for Termination.

All of the above conditions are incapable of being waived. If any of the above conditions is not satisfied at or prior to the respective time and dates specified therein (or such other date and time as the Underwriter and the Company may agree in writing), the Underwriting Agreement shall be automatically terminated. In that event, all obligations of the parties to the Underwriting Agreement shall cease and neither party shall have any claim against any other party for costs, damages, compensation or otherwise, and the Open Offer will not proceed.

The Underwriting Agreement

On 11 October 2013 (after trading hours), Emperor Capital Holdings and the Company entered into the Underwriting Agreement, details as below.

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|---|---|--|
| Date | : | 11 October 2013 (after trading hours) |
| Parties | : | (1) Company; and (2) Emperor Capital Holdings, being the Controlling Shareholder of the Company and the Underwriter |
| Principal amount of Bonds Underwritten | : | the Bonds with an aggregate principal amount of HK\$99,903,300 |
| Principal amount of Bonds undertaken to be taken up by Emperor Capital Holdings | : | HK\$203,130,200 (subject to reallocation) |
| Commission | : | HK\$500,000 |

Emperor Capital Holdings does not underwrite issues of securities in its ordinary course of business.

The commission rate was determined after arm's length negotiation between the Company and the Underwriter by reference to the existing financial position of the Group, the size of the Open Offer, and the current and expected market condition. The Board considers the terms of the Underwriting Agreement including the commission rate are on normal commercial terms, and are fair and reasonable so far as the Company and the Shareholders are concerned.

Termination of the Underwriting Agreement

The Underwriter may terminate the arrangements set out in the Underwriting Agreement by notice in writing to the Company at any time prior to the Latest Time for Termination if there occurs any of the following events:

- (a) in the sole and absolute opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
 - (i) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the sole and absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
 - (ii) the occurrence of any local, national or international event or change, whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement, of a political, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the sole and absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (iii) any material adverse change in the business or in the financial or trading position of the Group as a whole; or
 - (iv) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the sole and absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (v) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares on the Stock Exchange due to exceptional financial circumstances or otherwise; or
 - (vi) any suspension in the trading of the Shares on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of this announcement or the Open Offer Documents or other announcements or circulars in connection with the Open Offer; or
- (b) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions which includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the sole and absolute opinion of the Underwriter make it inexpedient or inadvisable to proceed with the Open Offer; or

- (c) there is any change in the circumstances of the Company or any member of the Group which in the sole and absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (d) the Prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any law or the Listing Rules or any applicable regulation) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which in the sole and absolute opinion of the Underwriter is material to the Group as a whole upon completion of the Open Offer and is likely to affect materially and adversely the success of the Open Offer; or
- (e) any material breach of any of the warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter and which in the sole and absolute opinion of the Underwriter is materially adverse to the success of the Open Offer.

If, at or prior to the Latest Time for Termination,

- (i) any material breach of any of the warranties or undertakings of the Company under the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (ii) any Specified Event comes to the knowledge of the Underwriter,

the Underwriter shall also be entitled by notice in writing to the Company prior to the Latest Time for Termination to terminate the Underwriting Agreement and the obligations of all parties under the Underwriting Agreement shall terminate forthwith.

Expected timetable

The expected timetable for the Open Offer is set out below:

2013

(Hong Kong time)

| | |
|--|---|
| Last day of dealings in the Shares on a cum-rights basis | Friday, 25 October |
| First day of dealings in the Shares on an ex-rights basis | Monday, 28 October |
| Latest time for lodging transfer of Shares in order to be qualified for the Open Offer | 4:30 p.m. on Tuesday, 29 October |
| Register of members closes (both dates inclusive) | Wednesday, 30 October to Monday, 4 November |
| Record Date | Monday, 4 November |
| Register of members for the share re-opens | Tuesday, 5 November |

Open Offer Documents expected to be despatched Tuesday, 5 November

Latest time for acceptance of and payment for the Bonds
and application and payment for excess Bonds 4:00 p.m. on
Friday, 22 November

Latest time for the termination of the Underwriting Agreement 4:00 p.m. on
Wednesday 27, November

Announcement of results of acceptance and
excess application of the Open Offer Wednesday, 27 November

Refund cheques in respect of wholly and
partially unsuccessful applications for excess Bonds
expected to be posted on or before
Thursday, 28 November

Certificates for the Bonds expected to be despatched on or before
Thursday, 28 November

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

THE PLACING AGREEMENT

Date

11 October 2013 (after trading hours)

Parties

Issuer : the Company

Placing Agent : Emperor Securities Limited, a wholly-owned subsidiary of the Company

Bond Placing

Pursuant to the Placing Agreement, the Company agreed to issue and the Placing Agent agreed to act as placing agent, on a best effort basis, for the purposes of procuring not less than 6 Placees who and whose ultimate beneficial owners are Independent Third Parties to subscribe in cash for the Placing Bonds with an aggregate principal amount of up to HK\$303,033,500 at the issue price of 100% of the principal amount of the Placing Bonds.

Terms of the Placing Bonds

Principal amount : HK\$303,033,500

Interest : 5.5% per annum, payable annually in arrears

Maturity date : On the third anniversary of the issue of the Placing Bonds

- Status : The obligations of the Company arising under the Placing Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Company except for obligations accorded preference by mandatory provisions of applicable law.
- Transferability : The Placing Bonds may be transferred or assigned to any person subject to the conditions, approvals, requirements and any other provisions of or under:
- (a) the Stock Exchange or their rules and regulations; and
 - (b) all applicable rules and regulations,
- provided that the Placing Bonds shall not be assigned or transferred to a connected person of the Company without prior written consent of the Company.
- Redemption : The Company may at any time before the maturity date of the Placing Bonds, redeem the Placing Bonds by giving not less than ten (10) Business Days written notice at 100% of the principal amount of such Placing Bonds together with payment of interests accrued thereon up to the date of redemption. Such notice once given shall be irrevocable and shall oblige the Company to make the redemption in such amount and on such date as stated in such notice.
- Subject to the conditions of the instrument constituting the Placing Bonds, the Placing Bondholder(s) shall not have the right to request the Company to redeem the Placing Bonds prior to the maturity date of the Placing Bonds.
- Application for listing : No application will be made for a listing of the Placing Bonds on the Stock Exchange or any stock or securities exchange.

Placee(s)

The Placing Bonds will be placed to not less than six independent Placees who will be professional, institutional or private investors and who and whose their ultimate beneficial owner(s) are Independent Third Parties.

Placing Commission

In consideration of the services of the Placing Agent in connection with the Bond Placing, the Company shall pay the Placing Agent a placing commission of 3% of the total principal amount of the Placing Bonds to be issued under the Placing Agreement, out of which the Placing Agent will meet its selling concession and sub-placing commission obligations (if any) in accordance with the Placing Agreement.

The placing commission was negotiated on an arm's length basis between the Company and the Placing Agent and determined with reference to, amongst other things, the market rate for transactions comparable to the Bond Placing.

The Directors consider that the placing commission is fair and reasonable based on the current market conditions.

Conditions of the Bond Placing

The Bond Placing and the obligation of the Placing Agent under the Placing Agreement are conditional upon the following matters:

- (I) the compliance of any requirements under the Listing Rules or otherwise of the Stock Exchange and/or the SFC which requires compliance in relation to the Bond Placing; and
- (II) the Placing Agreement not having been terminated in accordance with its terms.

All of the above conditions are incapable of being waived. If any of the above conditions is not satisfied at or prior to the respective time and dates specified therein (or such other date and time as the Placing Agent and the Company may agree in writing), the Placing Agreement shall be automatically terminated. In that event, all obligations of the parties to the Placing Agreement shall cease and neither party shall have any claim against any other party for costs, damages, compensation or otherwise, and the Bond Placing will not proceed.

Termination of the Placing Agreement

If at any time on or prior to 5:00 p.m. (Hong Kong time) on the Closing Date:

- (a) in the reasonable opinion of the Placing Agent, the Bond Placing would be materially and adversely affected by:
 - (i) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Placing Agent materially and adversely affect the business or the financial or trading position or prospects of the Company or the Group as a whole; or
 - (ii) the occurrence of any local, national or international event or change, whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof, of a political, financial, economic currency, market or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, affecting local securities markets; or
 - (iii) any material adverse change in the business or in the financial or trading position or prospect of the Company or the Group as a whole; or
 - (iv) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the reasonable opinion of the Placing Agent materially and adversely affect the business or the financial or trading position or prospects of the Company or the Group as a whole; or
 - (v) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange whether due to exceptional financial circumstances or otherwise; or

- (vi) the commencement by any third party of any litigation against any member of the Group which is or might be material to the Company or the Group taken as a whole; or
- (b) any adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, the PRC or other jurisdiction relevant to the Group or any member of the Group and a change in currency conditions for the purpose of this Clause includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the reasonable opinion of the Placing Agent makes it inexpedient or inadvisable to proceed with the Bond Placing; or
- (c) this announcement when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date hereof been publicly announced or published by the Company and which in the reasonable opinion of the Placing Agent is material to the Group as a whole and is likely to affect materially and adversely the success of the Bond Placing; or
- (d) any breach (which is material in the reasonable opinion of the Placing Agent) of any of the representations, warranties and undertakings set out in the Placing Agreement comes to the knowledge of the Placing Agent or there has been a breach (which is material in the reasonable opinion of the Placing Agent) of any other provision of the Placing Agreement.

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, which notice may be given at any time prior to 5:00 p.m. (Hong Kong time) on the Closing Date.

Completion of the Bond Placing

Completion of Bond Placing shall take place within three Business Days after the respective conditions thereof have been fulfilled (or such later date as the Placing Agent and the Company may agree in writing).

WARNING OF THE RISKS OF DEALING IN SHARES

The Open Offer is conditional, inter alia, upon fulfillment of the conditions set out under the section headed “Conditions of the Open Offer”. In particular, the Open Offer is subject to the Underwriter not terminating the Underwriting Agreement in accordance with the terms set out under the section headed “Termination of the Underwriting Agreement”. Accordingly the Open Offer may or may not proceed. Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Open Offer are fulfilled will accordingly bear the risk that the Open Offer could not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares are advised to consult their own professional advisers.

Completion of the Bond Placing is subject to the Placing Agent not terminating the Placing Agreement in accordance with the terms set out therein. As the Bond Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

REASONS FOR THE OPEN OFFER AND BOND PLACING

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 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) provision of margin and initial public offering 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 services.

In view of the increasing demand on the financial services provided by the Group, the Directors consider that the Open Offer and the Bond Placing represent good opportunities to strengthen the financial position of the Group and to raise additional funds at a reasonable cost to support the Group's continuing development and business growth. The Open Offer will give the Qualifying Shareholders the opportunity to subscribe for the Bonds according to their respective pro-rata shareholding interests in the Company, hence the Board considers that fund raising through the Open Offer and Bond Placing is in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The gross proceeds of the Open Offer and Bond Placing will be HK\$303,033,500 each while the estimated net proceeds will be approximately HK\$301,700,000 and HK\$293,900,000 respectively. The Company intends to apply such net proceeds from Open Offer and Bond Placing as working capital for the expansion of existing businesses of Company, especially for the money lending business and asset management business and to finance any future opportunities to be identified by the Company.

FUND RAISING ACTIVITIES INVOLVING ISSUE OF SECURITIES IN THE PAST 12 MONTHS

No fund raising exercise was carried out during the twelve months period immediately preceding the date of this announcement.

GENERAL

The Prospectus containing further information regarding, among other things, the Open Offer, including information on application and acceptances of the Bonds and application for excess Bonds, and other information in respect of the Group, the Application Forms and the Excess Application Forms are expected to be despatched to the Shareholders on 5 November 2013.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Emperor Capital Holdings is beneficially interested in 1,741,116,907 Shares, representing approximately 67.03% of the issued share capital of the Company, and is the Controlling Shareholder and a connected person of the Company. Accordingly, the transaction contemplated under the Underwriting Agreement (including the payment of the underwriting commission) constitutes a connected transaction under Chapter 14A of the Listing Rules but are exempted from the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITION

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

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| “Application Form(s)” | the application form(s) to be issued to the Qualifying Shareholders in respect of their assured entitlements under the Open Offer |
| “associate(s)” | has the meaning ascribed thereto under the Listing Rules |
| “Board” | the board of Directors |
| “Bond(s)” | the bonds to be issued under the Open Offer with an aggregate principal amount of HK\$303,033,500 |
| “Bondholder(s)” | holders of the Bonds |
| “Bond Placing” | the placing of the Placing Bonds pursuant to the terms and conditions of the Placing Agreement |
| “Business Day(s)” | a day (other than a Saturday, Sunday and public holiday) on which banks are generally open for business more than five hours in Hong Kong |
| “Closing Date” | in respect of the Placing Agreement, the third Business Day after the conditions in paragraph headed “Conditions of the Bond Placing” above have been fulfilled, or where applicable waived, (or such later date as the Company and the Placing Agent may agree in writing) |
| “Companies Act” | the Companies Act 1981 of Bermuda |
| “Companies Ordinance” | Companies Ordinance (Chapter 32 of the Laws of Hong Kong) |
| “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 |

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| “Controlling Shareholder” | any person who is or group of persons who are together with its associates (as defined in the Listing Rules) entitled to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) or more of the voting power at general meetings of the Company |
| “Director(s)” | director(s) of the Company |
| “Emperor Capital Holdings” or “Underwriter” | Emperor Capital Group Holdings Limited, a company indirectly owned by the Albert Yeung Discretionary Trust, the founder of which is Dr. Yeung Sau Shing, Albert and of which Ms. Daisy Yeung (the Managing Director) is an eligible beneficiary |
| “Excess Application Form(s)” | form(s) for application of excess additional Bonds |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Independent Shareholder(s)” | any Shareholder other than Controlling Shareholders and their associates or, where there are no Controlling Shareholders, any Shareholder other than directors (excluding independent non-executive directors) and the chief executive of the Company and their respective associates |
| “Independent Third Party(ies)” | third parties independent of and not connected (as defined under the Listing Rules) with the Company and connected person(s) of the Company |
| “Latest Acceptance Date” | 22 November 2013 or such other date as may be agreed between the Company and the Underwriter, being the latest date for acceptance of the offer of and payment for the Open Offer |
| “Latest Time for Acceptance” | 4:00 p.m. on the Latest Acceptance Date or such other time as may be agreed between the Company and the Underwriter, being the latest time for acceptance of the offer of and payment for the Open Offer |

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| “Latest Time for Termination” | 4:00 p.m. on 27 November 2013, being the third Business Day after (but excluding) the Latest Time for Acceptance, or such other time as may be agreed between the Company and the Underwriter |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Non-Qualifying Shareholders” | those Overseas Shareholders whom the Directors, based on legal advice provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Bonds to such shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place |
| “Open Offer” | the proposed open offer of the Bonds for subscription at the Subscription Price on the basis of one unit of the Bond having a face value of HK\$700 each for every 6,000 Shares held on the Record Date, and on the terms and subject to the conditions to be set out in the Underwriting Agreement and the Open Offer Documents |
| “Open Offer Documents” | the Prospectus, Application Form and Excess Application Form |
| “Outstanding Share Options” | the outstanding share options to subscribe for an aggregate of 155,844,000 Shares under the Share Option Scheme, which would not be exercisable on or before the Record Date |
| “Overseas Shareholder(s)” | Shareholder(s) holding at least 6,000 shares and whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong |
| “Placee(s)” | any institutional, professional or private investor(s) procured by the Placing Agent to subscribe for any of the Placing Bonds pursuant to the Placing Agreement |
| “Placing Agent” | Emperor Securities Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO, acting as the placing agent of the Placing Bonds under the Placing Agreement |

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| “Placing Agreement” | the conditional placing agreement dated 11 October 2013 and entered into between the Company as issuer and the Placing Agent as placing agent in relation to the Bond Placing |
| “Placing Bond(s)” | the bonds to be issued under the Bond Placing with an aggregate principal amount of HK\$303,033,500 |
| “Placing Bondholder(s)” | Holders of the Placing Bonds |
| “Posting Date” | 5 November 2013 or such other date as the Underwriter may agree in writing with the Company, as the date of despatch of the Open Offer Documents to the Qualifying Shareholders or the Prospectus for information only (as the case may be) to the Non-Qualifying Shareholders |
| “PRC” | the People’s Republic of China |
| “Prospectus” | the prospectus to be despatched to the Shareholders containing details of the Open Offer |
| “Qualifying Shareholders” | Shareholders, other than the Non-Qualifying Shareholders |
| “Record Date” | 4 November 2013 (or such other date as the Underwriter may agree in writing with the Company), as the date by reference to which entitlements to the Open Offer are expected to be determined |
| “Registrar” | Tricor Secretaries Limited, the branch share registrar of the Company in Hong Kong, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong |
| “SFC” | Securities and Futures Commission of Hong Kong |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the share capital of the Company |
| “Shareholder(s)” | the holder(s) of issued Shares |
| “Share Option(s)” | the share options to subscribe for Shares under the Share Option Scheme |
| “Share Option Scheme” | the share option scheme of the Company adopted on 20 September 2007 and amended on 13 August 2013 |

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| “Specified Event” | an event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscription Price” | the subscription price for the Bonds and Placing Bonds, being HK\$700 per each Bond or Placing Bond |
| “Takeovers Code” | the Hong Kong Code on Takeovers and Mergers |
| “Underwriting Agreement” | the underwriting agreement dated 11 October 2013 entered into between Emperor Capital Holdings and the Company in relation to the underwriting arrangement in respect of the Open Offer |
| “%” | percentage or per centum |

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

Hong Kong, 11 October 2013

As at the date of this announcement, the board of Directors comprises:

Executive Directors:

Ms. Daisy Yeung
Mr. Chan Shek Wah
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