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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 5 October 2022, the Lender entered into the Loan Agreement with the Borrower in relation to the provision of the Loan Facility of up to HK\$66,500,000 which is available for drawdown subject to the terms therein and shall be repaid within 12 months from the date of drawdown.

The transaction contemplated thereunder constitutes a discloseable transaction of the Company and is therefore subject to announcement requirement but exempt from obtaining Shareholders' approval under Chapter 14 of the Listing Rules.

The Board announces that on 5 October 2022, the Lender entered into the Loan Agreement with the Borrower, a summary of the details is set out as follows:-

THE LOAN AGREEMENT

<i>Date</i>	: 5 October 2022
<i>Lender</i>	: Emperor Finance
<i>Borrower</i>	: the Borrower
<i>Amount of Loan Facility</i>	: up to HK\$66,500,000
<i>Repayment</i>	: within 12 months from the date of drawdown
<i>Interest</i>	: (i) 22.9% per annum for the 1st month upon the date of drawdown (ii) 9.5% 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 first mortgage over a residential unit and a parking space located in Mid-levels, Hong Kong (collectively known as the “**Mortgaged Properties**”). Valuation on such properties has been conducted by independent valuers on 11 August 2022 and the average value of the said properties is approximately HK\$109,000,000. The loan-to-value ratio of the Loan Facility is approximately 61.0%.

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

INFORMATION OF THE BORROWER

The Borrower is a merchant who is a new customer with no previous business relationship with the Group and being referred by an independent mortgage consultant to the Group. The Borrower is an executive director and the controlling shareholder of a communications technology company, of which the shares are listed on the Main Board of the Stock Exchange. To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, the Borrower is an Independent Third Party.

CREDIT RISK ASSESSMENT

The Loan Facility is secured by a first mortgage over the Mortgaged Properties provided by the Borrower with a loan-to-value ratio of approximately 61.0% based on the value of the Mortgaged Properties as determined by independent valuers.

The Group has performed credit risk assessment before granting the Loan Facility by (a) assessing the personal net assets and other financial information of the Borrower and performing an assessment on the financial soundness of the Borrower, such as the type and value of assets owned by the Borrower; (b) reviewing the credit report and rating of the Borrower obtained from an external credit report agency, which is satisfactory and no default record was identified; (c) reviewing the financial reports and statements of the company of which the Borrower is a major shareholder; and (d) obtaining valuations from independent valuers on the Mortgaged Properties to assess the market value of the collateral and enquired the liquidity in proximity. The Group based on the findings of the credit risk assessment considered the credit risk of granting the Loan Facility to the Borrower was acceptable at the time of granting the Loan Facility.

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 services, 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 Borrower and were on normal commercial terms based on the Group's credit policy. Taking into account the results of due diligence on the financial background and repayment ability of the Borrower and the stable interest income expected to be generated from the Loan Facility, 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 maximum amount of financial assistance granted to the Borrower pursuant to the Loan Agreement exceed 5% but are under 25%, the transaction contemplated thereunder constitutes a discloseable transaction of the Company and is therefore subject to announcement requirement but exempt from obtaining Shareholders' approval under Chapter 14 of the Listing Rules.

Pursuant to the Rule 14.58(2) of the Listing Rules, the identity of the Borrower is required to be disclosed. As (i) the Loan Facility is not regarded as a material transaction of the Company as compared to overall financial position of the Company; (ii) the Borrower has confirmed to the Group that no consent will be given for disclosing his identity; (iii) the disclosure of identity of the Borrower does not have additional value to the assessment of the financial standing and repayment ability of the Borrower, including creditworthiness, risks involved and exposure of the Loan Facility; and (iv) the Company has made alternative disclosure in this announcement, including but not limited to the details of the security and loan-to-value ratio of the Loan Facility, it is believed that the information disclosed herein is sufficient for the Shareholders to assess the risk and exposure involved with the Loan Facility. Concealing the identity of the Borrower would not render this announcement incomplete, misleading or deceptive, as the Company has applied to the Stock Exchange and the Stock Exchange has granted a waiver from strict compliance of Rule 14.58(2) of the Listing Rules.

DEFINITIONS

“associate”	has the same meaning as ascribed to it under the Listing Rules
“Board” or “Directors”	board of directors of the Company
“Borrower”	the borrower under the Loan Agreement, being an individual and an Independent Third Party to the Company
“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 same meaning as ascribed to it under the Listing Rules
“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
“Independent Third Party(ies)”	person(s) (and in case of company(ies) and corporation(s), their ultimate beneficial owner(s)) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Lender” or “Emperor Finance”	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 5 October 2022 entered into between the Lender and the Borrower relating to the granting of the Loan Facility
“Loan Facility”	the loan facility in the amount of up to HK\$66,500,000 granted by the Lender to the Borrower 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, 5 October 2022

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

Executive Directors:

Ms. Daisy Yeung
Ms. Choi Suk Hing, Louisa

Independent Non-Executive Directors:

Mr. Poon Yan Wai
Ms. Wan Choi Ha
Mr. Wong Tak Ming, Gary