

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims 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)

- (1) PLACING OF 120,240,000 EXISTING SHARES,
(2) SUBSCRIPTION OF 120,240,000 NEW SHARES,
(3) REFRESHMENT OF GENERAL MANDATES
AND
(4) RESUMPTION OF TRADING**

PLACING AND SUBSCRIPTION OF SHARES

The Directors announced that Charron, the controlling shareholder of the Company, has agreed to place, through the Placing Agent, 120,240,000 Shares to independent investors at a price of HK\$0.97 per Share and Charron will subscribe for 120,240,000 new Shares at the price of HK\$0.97 per Share. The Placing Shares amount to approximately 20% of the existing issued share capital of the Company of 601,271,272 Shares and approximately 16.67% of the share capital of 721,511,272 Shares as enlarged by the Subscription.

The net proceeds of the Subscription of approximately HK\$113.86 million will be applied as the general working capital and future business development of the Group.

Completion of the Placing is unconditional. The Subscription is conditional, inter alia, upon the completion of the Placing and the Stock Exchange granting the listing of all of the Shares under the Subscription.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 19 November 2007 pending the release of this announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 20 November 2007.

THE PLACING AGREEMENT

Vendor

Charron, the controlling shareholder of the Company, holding 325,322,302 Shares, representing approximately 54.11% of the existing issued share capital of the Company.

Placing agent

Emperor Securities Limited, a wholly-owned subsidiary of the Company, agrees with the Vendor to procure on best endeavour basis, placees (“Placees”) to acquire 120,240,000 existing Shares from the Vendor. The Placing Agent will receive a placing commission of 2% on the gross proceeds of the Placing Shares being placed.

Independence of Placees

The Placees (not less than six independent individuals and/or institutional investors) are independent of and not connected with the Company and the directors, chief executive and substantial shareholder of the Company, and any of their subsidiaries or any of their respective associates (as defined in the Listing Rules).

Placing price

HK\$0.97 per Share. It represents:–

- a) a discount of approximately 19.17% to the closing price of HK\$1.20 per Share as quoted on the Stock Exchange on 16 November 2007, being the last trading day before the publication of this announcement; and
- b) a discount of 19.44% to the average of the closing price of the Shares of HK\$1.204 per Share quoted on the Stock Exchange for the five trading days up to and including 16 November 2007.

The placing price was arrived at after arm’s length negotiation between the Company and the Placing Agent. The Directors considered the placing price is fair and reasonable as far as the Company is concerned.

Number of Shares to be placed

120,240,000 Shares to be placed, representing approximately 20% of the existing issued share capital of the Company of 601,271,272 Shares and approximately 16.67% of the share capital of 721,511,272 Shares as enlarged by the Subscription.

Completion of the Placing

The Placing is unconditional. Completion will take place on the third business day on which the Shares are traded on the Stock Exchange after the date of the Placing Agreement or such other date as may be agreed between the parties.

THE SUBSCRIPTION AGREEMENT

Parties

Issuer: The Company

Subscriber: Charron

Number of Subscription Shares

120,240,000 new Shares. The Subscription Shares representing approximately 20% of the existing issued share capital of the Company of 601,271,272 Shares and approximately 16.67% of the share capital of 721,511,272 Shares as enlarged by the Subscription. It is provided in the Subscription Agreement that if any number of the Placing Shares shall not be taken up, then the number of Subscription Shares to be subscribed for by the Subscriber shall be also reduced by the same number of the untaken Placing Shares.

Charron currently holds 325,322,302 Shares which is approximately 54.11% of the issued share capital of the Company. It will hold approximately 45.09% of the issued share capital of the Company after the Placing and the Subscription.

Subscription price

The subscription price is HK\$0.97 per Share. The Company will bear all cost and expenses incurred in connection with the Subscription and reimburse Charron for all costs and expenses incurred by it in connection with the Placing. After deducting the placing commission, the professional fees and all related expenses, the net subscription price will be HK\$0.95 per Share.

Mandate to issue new Shares

The Shares under the Subscription will be issued and allotted under the Issue Mandate granted to the Directors at the annual general meeting of the Company held on 20 September 2007. The maximum number of Shares to be issued under the Issue Mandate is 120,254,254 Shares. The Issue Mandate has not been utilized since it was granted.

Ranking of new Shares

The new Shares when fully paid, will rank *pari passu* with the existing Shares in issue.

Use of proceeds

The proceeds of the Subscription will be received by the Company on the completion of the Subscription and net proceeds of the Subscription is approximately HK\$113.86 million after deducting the placing commission, the professional fees and all related expenses. The Company intends to apply the net proceeds of the Subscription as general working capital and future business development of the Group.

Condition of the Subscription

The Subscription is conditional, *inter alia*, upon the completion of the Placing and the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, all of the Shares under the Subscription.

Completion of the Subscription

Completion of the Subscription will take place on or before 30 November 2007, being 14 days from the date of the Placing Agreement. Under Rule 14A.31(3)(d) of the Listing Rules, completion of the Subscription is required to take place within 14 days after the date of the Placing Agreement; otherwise Shareholders' approval would be required for the Subscription. The Directors expect that the Placing and the Subscription will not result in less than 25% of the enlarged issued share capital of the Company in public hands.

Application for listing

Application will be made by the Company to the Listing Committee of the Stock Exchange granting of the listing of, and permission to deal in, the new Shares under the Subscription.

REASON FOR THE PLACING AND SUBSCRIPTION

The Company is an investment company and its subsidiaries are principally providing financial services including brokerage services for securities, futures and options, and providing margin and initial public offer financings as well as loans and advances to its clients. In view of the current market condition, the Directors consider the Placing and Subscription to be a good opportunity to raise capital for the Company. The Placing and Subscription will enable the Company to broaden its shareholders' base and strengthen the financial position of the Company. The Directors consider that the terms of the Placing and the Subscription are fair and reasonable and they are in the interests of the Company and its Shareholders as a whole. Save for the share offer of the Company in April 2007 as disclosed in the prospectus of the Company dated 11 April 2007, no fund raising exercise was carried out during the twelve months period immediately preceding the date of this announcement.

EFFECT ON SHAREHOLDING

The effect on the shareholding structure of the Company pursuant to the Placing and the Subscription is set out as follows:

	Immediately before the Placing and the Subscription <i>Number of Shares (%)</i>	Immediately after completion of the Placing but before the completion of the Subscription <i>Number of Shares (%)</i>	Immediately after completion of the Placing and the Subscription <i>Number of Shares/%</i>
Charron	325,322,302 (54.11%)	205,082,302 (34.11%)	325,322,302 (45.09%)
Placees	0 (0%)	120,240,000 (20%)	120,240,000 (16.67%)
Public Shareholders	275,948,970 (45.89%)	275,948,970 (45.89%)	275,948,970 (38.24%)
Total	<u>601,271,272</u> (100%)	<u>601,271,272</u> (100%)	<u>721,511,272</u> (100%)

GENERAL MANDATES

Since the issue of Subscription Shares utilize most of the Issue Mandate granted to the Directors at the annual general meeting held on 20 September 2007, the Directors will convene a SGM to seek approval of the Shareholders for the refreshment of the Issue Mandate and the Repurchase Mandate to issue further securities and to repurchase securities not exceeding 20% and 10% respectively of the issued share capital of the Company as at the date of passing such resolution.

The Independent Board Committee will be formed to consider and advise the Independent Shareholders in respect of the refreshment of the Issue Mandate. An independent financial adviser will be appointed to advise the Independent Board Committee in this regard.

A circular containing, among other things, further details of the refreshment of the General Mandates, the letter from the Board, the letter of advice from the Independent Board Committee to the Independent Shareholders, the letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders together with the notice of SGM will be despatched to Shareholders of the Company as soon as possible.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 19 November 2007 pending the release of this announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 20 November 2007.

TERMS USED IN THIS ANNOUNCEMENT

“Charron”	Charron 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
“Company”	Emperor Capital Group Limited, a company incorporated in Bermuda with limited liabilities, the shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“General Mandates”	the Issue Mandate and the Repurchase Mandate
“Independent Board Committee”	the independent board committee to be formed by the independent directors of the Company to advise the Independent Shareholders on the refreshment of the Issue Mandate
“Independent Shareholders”	Shareholders other than Charron and its associates
“Issue Mandate”	the general mandate granted to the Directors to issue further securities not exceeding 20% of the issued share capital of the Company as at the date of passing such resolution
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Placing”	the Placing of 120,240,000 Placing Shares
“Placing Agent”	Emperor Securities Limited
“Placing Agreement”	the placing agreement dated 16 November 2007 entered into between Charron and Placing Agent in relation to the placing of 120,240,000 existing Shares at a placing price of HK\$0.97 per Share
“Placing Shares”	120,240,000 existing Shares to be placed pursuant to the Placing

“Repurchase Mandate”	the general mandate granted to the Directors to repurchase securities not exceeding 10% of the issued share capital of the Company as at the of passing such resolution
“SGM”	the special general meeting of the Company to be held for the purpose of approving the refreshment of the General Mandates
“Shares”	ordinary shares of HK\$0.01 each of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of 120,240,000 new Shares by Charron
“Subscription Agreement”	the subscription agreement dated 16 November 2007 entered between Charron and the Company for the subscription of 120,240,000 Shares by Charron

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

Hong Kong, 19 November 2007

As at the date of this announcement, the Board comprises 1. Executive Directors: Ms. Daisy Yeung (Managing Director), Mr. Chan Pak Lam, Tom and Mr. Yeung Kun Lee, Sunny; 2. Independent Non-Executive Directors: Mr. Fung Chi Kin, Mr. Kwok Chi Sun, Vincent and Mr. Cheng Wing Keung, Raymond

* *for identification purposes only*