



英皇證券集團有限公司*
Emperor Capital Group Limited

(Incorporated in Bermuda with limited liability)

(Stock code: 717)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007**

The board of directors (the “Board” or the “Directors”) of Emperor Capital Group Limited (the “Company”) is pleased to announce that the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2007 (the “Period”) together with comparative figures for the corresponding period in 2006 are set out below.

These condensed consolidated and combined financial statements of the Group for the six months ended 30 September 2007 and 2006 respectively have not been audited nor reviewed by the Company’s auditors, Deloitte Touche Tohmatsu, but have been reviewed by the audit committee of the Company, which comprises the three independent non-executive directors of the Company.

CONDENSED CONSOLIDATED/COMBINED INCOME STATEMENT

		Six months ended 30 September	
		2007	2006
		(unaudited)	(unaudited)
	Notes	HK\$'000	HK\$'000
Revenue	4	80,891	60,495
Other operating income		1,783	1,084
Staff costs		(9,097)	(4,588)
Other operating and administrative expenses		(36,242)	(21,944)
Depreciation and amortisation		(654)	(764)
Finance costs		(12,190)	(14,683)
Profit before taxation	5	24,491	19,600
Taxation	6	(3,708)	(3,263)
Profit for the period	3	20,783	16,337
Earnings per share			
– Basic	7	HK3.71 cents	HK5.78 cents
– Diluted	7	N/A	N/A

CONDENSED CONSOLIDATED/COMBINED BALANCE SHEET

		As at	
		30 September 2007 (unaudited) HK\$'000	31 March 2007 (audited) HK\$'000
	<i>Notes</i>		
Non-current assets			
Property and equipment		1,958	2,124
Intangible assets		578	771
Other assets		4,546	4,448
Available-for-sale financial assets		136	136
		7,218	7,479
Current assets			
Trade receivables	8	2,346,637	161,520
Loans and advances		–	19,000
Other debtors, deposits and prepayments		1,820	7,122
Amount due from a fellow subsidiary		–	272,756
Bank balances and cash – trust		171,450	119,367
Bank balances and cash – general		138,606	70,028
		2,658,513	649,793
Current liabilities			
Trade payables	9	269,504	162,968
Other creditors and accrued charges		13,300	12,145
Tax liabilities		4,697	989
Short-term bank borrowings		2,037,000	54,400
		2,324,501	230,502
Net current assets		334,012	419,291
Total assets less current liabilities		341,230	426,770
Capital and reserves			
Share capital	10	6,013	127,000
Reserves		335,152	299,705
Total capital and reserves		341,165	426,705
Non-current liability			
Deferred taxation		65	65
		341,230	426,770

Notes:

1. Group Reorganisation and Basis of Preparation

The Company is incorporated and registered as an exempted company with limited liability on 27 June 2006 under the Companies Act 1981 of Bermuda (as amended) and its shares have been listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) with effect from 24 April 2007.

Under the group reorganisation scheme, the purpose of which is to rationalise the structure of the Group in preparation for the listing of the Company’s shares on the Stock Exchange (the “Group Reorganisation”), the Company has become the holding company of the Group on 2 April 2007. Details of the reorganisation were set out in the paragraph headed “Statutory and General Information-Reorganisation” in Appendix V to the prospectus dated 11 April 2007 issued by the Company (the “Prospectus”).

Accordingly, the combined financial statements of the Group for the six months ended 30 September 2006 have been prepared using the principles of merger accounting in accordance with Accounting Guideline 5 “Merger Accounting for Common Control Combinations” as if the group structure under the Group Reorganisation had been in existence throughout such period ended 30 September 2006.

The unaudited condensed consolidated or combined interim financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants and with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

2. Principal Accounting Policies

The accounting policies used in the unaudited condensed consolidated or combined financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2007.

a) Adoption of new standards, amendment to standards and interpretations

The following new standards, amendment to standard and interpretations have been issued and effective for the financial year ending 31 March 2008:

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) – INT 8	Scope of HKFRS 2
HK(IFRIC) – INT 9	Reassessment of Embedded Derivatives
HK(IFRIC) – INT 10	Interim Financial Reporting and Impairment
HK(IFRIC) – INT 11	HKFRS 2 – Group and Treasury Share Transactions

The adoption of these standards or interpretations had no material effect on the results or financial position of the Group for the current and prior accounting periods.

Notes: (Continued)

2. Principal Accounting Policies (Continued)

- b) Standards or interpretations that have been issued but are not effective

The Group has not early applied the following new standards or interpretations that have been issued but are not yet effective. The Directors of the Company anticipate that the application of these standards or interpretations will have no material impact on the results or financial position of the Group.

HKAS 23 (Revised)	Borrowing Costs ¹
HKFRS 8	Operating Segments ¹
HK (IFRIC) – INT 12	Service Concession Arrangements ²
HK (IFRIC) – INT 13	Customer Loyalty Programmes ³
HK (IFRIC) – INT 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ²

¹ Effective for annual periods beginning on or after 1 January 2009

² Effective for annual periods beginning on or after 1 January 2008

³ Effective for annual periods beginning on or after 1 July 2008

3. Business and geographical segments

Business segments

The Group is principally engaged in three main operating divisions, namely, broking, financing and placing and underwriting. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Broking	–	Broking of securities, options and futures
Financing	–	Provision of margin financing and money lending services
Placing and underwriting	–	Provision of placing and underwriting services

All of the activities of the Group are based in Hong Kong and all of the Group's revenue are derived from Hong Kong. Accordingly, no analysis by geographical segments is presented.

For the six months ended 30 September 2007

	Broking	Financing	Placing and	Total
	HK\$'000	HK\$'000	underwriting	HK\$'000
			HK\$'000	
Revenue	<u>60,013</u>	<u>18,768</u>	<u>2,110</u>	<u>80,891</u>
Segment results	<u>31,363</u>	<u>6,860</u>	<u>279</u>	38,502
Unallocated other operating income				1,377
Unallocated corporate expenses				<u>(15,388)</u>
Profit before taxation				24,491
Taxation				<u>(3,708)</u>
Profit for the period				<u>20,783</u>

Notes: (Continued)

3. Business and geographical segments (Continued)

For the six months ended 30 September 2006

	Broking <i>HK\$'000</i>	Financing <i>HK\$'000</i>	Placing and underwriting <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	<u>34,441</u>	<u>24,073</u>	<u>1,981</u>	<u>60,495</u>
Segment results	<u>13,729</u>	<u>12,205</u>	<u>1,390</u>	27,324
Unallocated other operating income				309
Unallocated corporate expenses				<u>(8,033)</u>
Profit before taxation				19,600
Taxation				<u>(3,263)</u>
Profit for the period				<u>16,337</u>

4. Revenue

	Six months ended	
	30 September	
	2007	2006
	(unaudited)	(unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Commission and brokerage on dealing in securities	48,701	19,346
Commission and brokerage on dealing in futures and options contracts	6,874	13,672
Placing and underwriting commission	2,110	1,981
Interest income from:		
Margin and initial public offer financing	18,750	19,000
Loans and advances	18	5,073
Bank deposits	4,362	1,352
Others	76	71
	<u>80,891</u>	<u>60,495</u>

Notes: (Continued)

5. Profit before taxation

	Six months ended	
	30 September	
	2007	2006
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Profit before taxation has been arrived at after charging (crediting):		
Commission	23,741	15,702
Amortisation of intangible assets	193	193
Depreciation of property and equipment	461	571
Exchange loss	25	67
Operating lease rentals in respect of rented premises	1,192	835
Other equipment rental expense	1,645	1,153
Handling fee income	(1,150)	(855)
Write back for bad and doubtful debts	(117)	(214)
	<u> </u>	<u> </u>

6. Taxation

	Six months ended	
	30 September	
	2007	2006
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
The charge comprises:		
Hong Kong Profits Tax attributable to the Group	3,708	3,273
Deferred taxation	–	(10)
	<u> </u>	<u> </u>
	<u>3,708</u>	<u>3,263</u>

Hong Kong Profits Tax is calculated at 17.5% on the estimated assessable profits for both periods.

7. Earnings per share

The calculation of the basic earnings per share for the six months ended 30 September 2007 is based on the profit attributable to the equity holders of the Company of approximately HK\$20,783,000 and on the weighted average number of 559,506,133 ordinary shares in issue during the Period.

The comparative basic earnings per share is calculated based on the combined profit attributable to the equity holders of the Company of approximately HK\$16,337,000 and on the number of 282,635,636 shares in issue during the six months ended 30 September 2006 on the assumption that the Group Reorganisation had been effective on 1 April 2006.

No diluted earnings per share has been presented for the six months ended 30 September 2007 and 2006 as the Company had no dilutive instruments existing during these periods.

Notes: (Continued)

8. Trade receivables

	As at	
	30 September	31 March
	2007	2007
	(unaudited)	(audited)
	HK\$'000	HK\$'000
Trade receivables from the business of dealing in futures contracts:		
Clearing houses and brokers	20,174	12,605
Trade receivables from the business of dealing in securities:		
Clearing houses, brokers and clients	88,709	34,240
Secured margin loans	159,964	59,805
Initial public offer financing	2,077,790	54,987
Less: Impairment allowance on trade receivables	—	(117)
	<u>2,346,637</u>	<u>161,520</u>

The settlement terms of trade receivables arising from the business of dealing in securities are two days after trade date, and trade receivables arising from the business of dealing in futures contracts are one day after trade date.

Except for the loans to margin clients as mentioned below, all the trade receivables arising from the business of dealing in securities and futures contracts aged within 30 days.

Loans to margin clients are secured by clients' pledged securities, repayable on demand and bear variable interest at prime rate with a spread. No aged analysis is disclosed as in the opinion of the Directors of the Company, the aged analysis does not give additional value in view of the nature of business of share margin financing.

As at 30 September 2007 and 31 March 2007, the total market value of securities pledged as collateral in respect of the loans to margin clients approximately HK\$1,126,134,000 and HK\$415,101,000 respectively.

Initial public offer ("IPO") financing which represented short-term borrowings to clients were secured by charges over securities subscribed under IPO.

As at 30 September 2007, trade receivables denominated in Japanese Yen and United States dollars, are approximately HK\$2,149,000 (as at 31 March 2007: HK\$3,097,000) and HK\$10,230,000 (as at 31 March 2007: HK\$5,600,000) respectively.

The fair values of the balances included in the accounts as at 30 September 2007 and 31 March 2007 approximate the corresponding carrying amounts.

Notes: (Continued)

9. Trade payables

	As at	
	30 September	31 March
	2007	2007
	(unaudited)	(audited)
	HK\$'000	HK\$'000
Trade payables from the business of dealing in futures contracts:		
Margin clients	32,861	27,376
Trade payables from the business of dealing in securities:		
Margin and cash clients	236,643	135,592
	269,504	162,968

Trade payables to margin clients arising from the business of dealing in futures contracts are margin deposits received from clients for their trading of these contracts. The excess of the outstanding amounts over the required margin deposits stipulated is non-interest bearing and repayable to clients on demand. No aged analysis is disclosed as in the opinion of Directors, the aged analysis does not give additional value in view of the nature of this business.

The settlement terms of trade payables arising from the business of dealing in securities are two days after trade date.

Trade payables to clearing house and brokers are non-interest bearing and repayable on demand subsequent to settlement date. Trade payables to certain margin and cash clients bear variable interest at commercial rates, and repayable on demand subsequent to settlement date. No aged analysis is disclosed as in the opinion of Directors of the Company, the aged analysis does not give additional value in view of the nature of business of dealing in securities and share margin financing.

Included in trade payables amounts of HK\$171,450,000 and HK\$119,367,000 at 30 September 2007 and 31 March 2007 respectively were payable to clients and other institutions in respect of the trust and segregated bank balances received and held for clients and other institutions in the course of the conduct of regulated activities. However, the Group does not have a currently enforceable right to offset these payables with the deposits placed.

As at 30 September 2007, trade payables denominated in Japanese Yen and United States dollars, are approximately HK\$2,694,000 (as at 31 March 2007: HK\$3,392,000) and HK\$12,303,000 (as at 31 March 2007: HK\$12,835,000) respectively.

The fair values of the trade payables as at 30 September 2007 and 31 March 2007 approximate to the corresponding carrying amounts.

Notes: (Continued)

10. Share Capital

The amount of share capital at 31 March 2007 of HK\$127,000,000 represented the aggregate issued share capital of Emperor Securities Limited, Emperor Securities Nominees Limited, Emperor Futures Limited, Emperor Gold and Silver Company Limited and Famous Winner Holdings Limited as at that date.

The movements in the Company's authorised and issued share capital during the period from 27 June 2006 (date of incorporation) to 30 September 2007 are as follow:

	Note	Number of ordinary shares of HK\$0.01 each	Nominal value of ordinary shares HK\$'000
Authorised:			
Upon incorporation	(a)	10,000,000	100
Increase in authorised share capital	(c)	499,990,000,000	4,999,900
		<hr/>	<hr/>
As at 30 September 2007		500,000,000,000	5,000,000
		<hr/>	<hr/>
Issued and fully paid:			
Issue of ordinary shares	(b) & (d)	10,000,000	100
Issue of shares arising from Group Reorganisation	(d)	272,635,636	2,726
Issue of shares by way of preferential offer to the shareholders of EIHL and public offer	(e)	318,635,636	3,187
		<hr/>	<hr/>
As at 30 September 2007		<u>601,271,272</u>	<u>6,013</u>

Notes:

- (a) On 27 June 2006, the Company was incorporated in Bermuda with authorised share capital of HK\$100,000 divided into 10,000,000 shares of HK\$0.01 each.
- (b) On 11 July 2006, 10,000,000 unpaid shares of HK\$0.01 were issued to Emperor International Holdings Limited ("EIHL").
- (c) Pursuant to resolutions in writing of the sole shareholder of the Company passed on 2 April 2007, the authorised share capital of the Company was increased from HK\$100,000 to HK\$2,826,356.36 and then to HK\$5,000,000,000 divided into 500,000,000,000 shares of a par value of HK\$0.01 each by creation of total 499,990,000,000 shares.
- (d) On 2 April 2007, the Company allotted and issued 272,635,636 shares, credited as fully paid, to EIHL and credited as fully paid at par the 10,000,000 shares issued nil paid by the Company to EIHL on 11 July 2006 referred to (b) above, in consideration of the transfer by EIHL to the Company of its interest in Profit Ascent Group Limited ("Profit Ascent"), a direct wholly owned subsidiary of the Company immediately after the Group Reorganisation.
- (e) On 24 April 2007, 318,635,636 shares of HK\$0.01 each of the Company were issued at HK\$0.38 by way of preferential offer to the shareholders of EIHL and public offer. On the same date, the Company's shares were listed on the Main Board of the Stock Exchange.

INTERIM DIVIDEND

The Board of the Company declared the payment of an interim dividend of HK1 cent (2006: Nil) per share (“Dividend”) for the Period, amounting to approximately HK\$7.2 million. The Dividend will be paid on 31 January 2008 (Thursday) to shareholders whose names appear on Register of Members of the Company on 18 January 2008 (Friday).

During the Period, dividend of HK\$178.5 million and HK\$38.5 million were paid by Emperor Securities Limited and Emperor Futures Limited respectively to their shareholders prior to the Group Reorganisation.

Closure of Register of Members

The Register of Members of the Company will be closed, for the purpose of determining shareholders’ entitlement to the Dividend, from 17 January 2008 (Thursday) to 18 January 2008 (Friday) (both days inclusive), during which period no share transfer will be effected.

In order to qualify for the Dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Share Registrar in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong for registration no later than 4:00 p.m. on 16 January 2008 (Wednesday).

MANAGEMENT DISCUSSION AND ANALYSIS

The Market

The Hong Kong stock market had shown continuous improvement in 2007, backed by the booming economy of China and favourable policy initiatives introduced by the Chinese government. The announcement of the Qualified Domestic Institutional Investors (“QDII”) arrangements had resulted in a sustainable momentum of the securities markets in Hong Kong. For the Period under review, the average daily turnover on the Stock Exchange reached an unprecedented HK\$65.0 billion, up 178.3% year-on-year. The Main Board of Hang Seng Index (HSI) reached its highest daily turnover of HK\$148.6 billion, compared to HK\$50.3 billion during the corresponding period in 2006. The market capitalisation of the listed companies reported a year-on-year growth of 89.1% to HK\$19.9 billion.

The market experienced higher volatility in July and August 2007. The global market was affected by rising concerns on the US subprime markets, unwinding of Japanese Yen carry trades and failures of hedge funds. Despite being adversely affected by these incidents, the underlying economy of Hong Kong remains fundamentally sound. The Hong Kong market was supported by a buoyant IPO market. As at 30 September 2007, there were 1,018 (2006: 954) companies listed on the Main Board of the Stock Exchange, including 39 new companies which had together raised HK\$138.8 billion during the Period.

Overview

The Group was spun off from its listed parent EIHL and became separately listed on the Main Board of the Stock Exchange on 24 April 2007.

The Group positions itself as a preferred brokerage house of quality services for clients and provides a wide range of financial services including brokerage services for securities and option traded on the Stock Exchange and futures traded on the exchanges in Hong Kong, Japan and the US. It also provides margin and IPO financing as well as loans and advances to clients in Hong Kong.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Overview *(Continued)*

The Group recorded for the Period a turnover of approximately HK\$80.9 million, an increase of 33.7% from HK\$60.5 million in the previous year. Profit for the Period rose by 27.6% to HK\$20.8 million (2006: HK\$16.3 million) with earnings per share of HK3.71 cents (2006: HK5.78 cents). To cope with growing operating costs and market competition, the Group had been striving to boost its revenue in order to provide better returns for its shareholders.

Serving mainly retail customers, the Group had approximately 22,500 clients at the end of the Period under review.

Securities Brokerage

Total commission income derived from securities brokerage, placing and underwriting, rose 142.1% to HK\$55.2 million for the Period under review from HK\$22.8 million for the previous corresponding period, thanks to the boom in securities trading on the Stock Exchange following the announcements that Mainland individuals would be allowed to invest directly in the Hong Kong stock market and commencement of QDII investments with large number of IPOs during the Period and the resultant increase in market activities. The securities brokerage revenue contributed a total of 68.3% to the Group's revenue (2006: 37.6%). The significant growth in commission income reflected the frequent trading of investors.

Backed by the Group's team of professional marketing executives and an in-house research department, the Group's securities business covers services including brokerage of securities listed and traded on the Stock Exchange, equity research, application for IPO issues and other nominee services. The Group had launched an online trading platform during the Period, providing customers greater access to the stock market and investment opportunities. The platform seamlessly integrates multiple channels for the placement of stock orders, access to market news and the ability to conduct account enquiries.

Futures and Options Dealing

The commission income derived from futures and options dealing amounted to HK\$6.9 million for the Period (2006: HK\$13.7 million). It contributed 8.5% of the total revenue for the Period, against 22.6% in 2006. Apart from dealing in futures and options traded on the Stock Exchange, the Group has also actively dealt in commodity futures traded in Japanese and US markets.

Commodities prices had been at high levels during the Period and the market did not expect much room for further increase. The commodities markets were less volatile compared to the corresponding period in 2006, which resulted in lower turnover from futures and options dealing.

Loans and Financing

The segment comprised of interest income from margin and IPO financing as well as loans and advances. The volatility of the equity market had encouraged investors, especially retail clients, to seek returns from IPO market. In addition to margin financing, the Group also provides loans and advances to clients.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Overview *(Continued)*

Loans and Financing (Continued)

Total income from the segment in the Period reached HK\$18.8 million (2006: HK\$24.1 million). The segment contributed 23.2% to the total revenue for the Period (2006: 39.8%). The Group adopted a cautious approach in assessing loan and financing to reduce the risk of business.

Outlook

The HSI, in the months following its reporting period, had experienced its traded high of over 30,000 points with heavy daily turnover of well over HK\$100 billion. Despite the slow-down of the US economy and the subprime mortgage turmoil which led to a global sell-off starting in August 2007, buying interest in equity market – especially in China stocks – remained strong which backed the HSI to record new highs.

The inflation rate in China and her overheated economy had led to stricter austerity measures by the Central Government. It was expected that the market would experience some adjustments but the long-term outlook would remain positive given the underlying economic strength and high liquidity of China stocks in anticipation of the Renminbi-asset appreciation.

To capture the growing potentials, the Group has strengthened its presence by opening new branches in Hong Kong to cater for retail customers. It will have a higher profile through marketing programme and organisation of investor seminars. The Group will also increase its research resources and capability to cope with growing customer demand.

To counter the growing operating costs and intense market competition, the Group is determined to improve its service standards and enhance its profitability through economy of scale.

The Group announced in September 2007 to expand into wealth management services, providing investment funds and insurance products agency services. The new division, with its professional advisers and the Group's comprehensive range of investment products such as securities and futures trading as well as financing, will help the high-net-worth clients capture investment opportunities and enhance their wealth.

In December 2007, The Group announced to acquire Emperor Capital Limited (“ECL”) from EIHL. ECL is a licensed holder under Securities and Futures Ordinance to provide corporate finance advisory services. The acquisition will extend the Group's reach to corporate financial advisory services and build up a complete offering of securities and financial services.

As investors nowadays have grown increasingly sophisticated, the Group believes in providing tailor-made and quality investment solutions for its customers. The Group will continue to exercise caution in granting loans with regular assessments of investment portfolio and on individual borrowers.

The Chinese economic development, which has been heaping up significantly during this year, is expected to lead the Hong Kong financial markets. The Group will strive to explore both the domestic and international markets by leveraging on its track records and networking, utilising its competitive edges for expanding institutional and retail clientele.

LIQUIDITY AND FINANCIAL RESOURCES

The Group financed its operations by shareholders' equity, cash generated from operations, and short-term bank borrowings.

The Group's total short-term bank borrowings amounted to approximately HK\$2,037 million as at 30 September 2007 (as at 31 March 2007: HK\$54.4 million). The Group's short-term bank borrowings were utilised for IPO financing and secured by a charge over securities subscribed under IPO. The bank borrowings carry interest at HIBOR plus a spread and are denominated in Hong Kong dollars.

As at 30 September 2007, the Group's gearing ratio was 5.97 (as at 31 March 2007: 0.127) (calculated based on the basis of total bank and other borrowings over total equity).

EMPLOYEE AND REMUNERATION POLICY

As at 30 September 2007, the Group has 62 (2006: 56) account executives and 70 employees (2006: 55). Total staff costs (including directors' remuneration) were approximately HK\$9.1 million (2006: HK\$4.6 million). Employees' remuneration was determined in accordance with individual's responsibility, performance and experience. Staff benefits include contributions to retirement benefit scheme, medical allowances and other fringe benefits.

CONTINGENT LIABILITY

As at 30 September 2007, the Group did not have any significant contingent liability.

CAPITAL STRUCTURE

Details of the Group Reorganisation and the material changes in capital structure of the Company during the Period are set out in the notes 1 and 10 to the condensed interim financial statements.

SUBSEQUENT EVENT

Pursuant to a placing agreement and a subscription agreement both dated 16 November 2007, Charron Holdings Limited, a controlling shareholder of the Company agreed to place 120,240,000 ordinary shares of the Company through a placing agent to independent investors at HK\$0.97 per share and, at the same time, to subscribe for 120,240,000 new ordinary shares in the Company at the same price (the "Top-up Placement"). The net proceeds from the subscription was approximately HK\$113.88 million after deducting the placing commission, the professional fees and all related expenses. The Top-up Placement was completed on 27 November 2007.

The Company announced on 20 December 2007 that Profit Ascent, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement ("S&P Agreement") with a wholly-owned subsidiary of EIHL ("Vendor") to acquire the entire issued share capital of ECL at a consideration of HK\$9.8 million. As Charron Holdings Limited, the controlling shareholder of the Company which held 45.09% interest of the Company as at the date of that announcement, was beneficially owned by The Albert Yeung Discretionary Trust, which also beneficially owned 54.07% interest in EIHL, the Vendor became a connected person of the Company and the S&P Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. The S&P Agreement was subject to the necessary consents and approvals including but not limited to the approval of the Securities and Futures Commission to Profit Ascent becoming a substantial shareholder of ECL. The completion date would take place within two business days after the fulfillment or waiver of the conditions precedent. The S&P Agreement would cease and terminate if the conditions precedent were not fulfilled or waived by Profit Ascent by 31 March 2008 or such other date as may be agreed between the parties to the S&P Agreement.

USE OF IPO PROCEEDS

The net proceeds from the Company's IPO amounted to approximately HK\$110.7 million. These net proceeds were partially applied during the period from the listing date up to the date of this announcement and such application is consistent with the proposed usage of the net proceeds set forth in the Prospectus.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period.

CORPORATE GOVERNANCE

Code on Corporate Governance Practices

During the Period, the Group has complied with all provisions of the Code on Corporate Governance Practice under Appendix 14 of the Listing Rules, except with the deviation from code provision A.2.1 which requires the roles of chairman and chief executive officer be separate and not be performed by the same individual. Currently, the Board has appointed Ms. Daisy Yeung as the Managing Director of the Company, who also assumes the responsibility to lead the Board and ensure the Board works effectively. The Board is of the opinion that the current structure functions effectively and does not intend to make any change thereof.

Model Code for Securities Transactions

The Company had adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules. Having made specific enquiry to all the Directors of the Company, all the Directors confirmed that they have complied with the required standard of dealings as set out in the Model Code.

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

Hong Kong, 27 December 2007

As at the date of this announcement, Ms. Yeung, Daisy is the managing director; Mr. Chan Pak Lam, Tom and Mr. Yeung Kun Lee, Sunny are the executive directors; Mr. Fung Chi Kin, Mr. Kwok Chi Sun, Vincent and Mr. Cheng Wing Keung, Raymond are the independent non-executive directors.

* *For identification purpose only*